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# Auckland War Memorial Museum Tāmaki Paenga Hira

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Tāmaki Paenga Hira

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### Physical Location

The Auckland Domain  
Parnell, Auckland  
New Zealand

This annual report has been prepared in accordance with section 28 Auckland War Memorial Museum Act 1996.



**Whakamana  
ngā taonga tuku iho  
hei whakataki i ngā ra ki muri**

**Honouring the past  
Embracing the present  
Guiding our future**



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## Chairman and Interim Director's Report

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**Despite a year when several significant issues dominated our media coverage the Museum performed very well on many operational and longer-term strategic levels in 2009/2010.**

**If reassurance was needed by Aucklanders concerned by stories about their much-loved Museum and War Memorial, the content of this Annual Report should help to provide it.**

Significant progress was made in the implementation of the Museum's strategic direction and vision, as set down in its annual plan. Public initiatives such as the *LATEs* and various events related to the temporary exhibitions (e.g. *Kai to Pie*) exhibition grew in popularity. The Board and Management ended the year united in their commitment to dedicate more resources to collections, research and academic achievement, thereby 'rebalancing' the relationship between collections on the one hand and delivery of programmes on the other. Our intent is to steadily rebuild the Museum's reputation as a centre for scholarship and academic excellence.

In announcing the resignation of Dr Vanda Vitali as Director in March 2010, the Board paid tribute to the energy and expertise she demonstrated during her two and a half year term. Her tenure gave Aucklanders a better understanding of the Museum's place at the heart of the cultural community, and many of her initiatives remain and will be reinforced.

The year concluded with a search for a successor underway, and with staff confidence growing following the appointment of an Interim Director to guide the institution through the leadership transition and culture change. The Board was delighted to appoint Sir Don McKinnon to this interim role, noting his experience

as Secretary-General of the Commonwealth, Deputy Prime Minister and Minister of Foreign Affairs and Trade equipped him to be a strong leader who would bring out the best in the Museum's talented people. The Board and senior management remain determined the changes of 2009/2010 will help create a stronger, more relevant and highly valued Museum, where the best and brightest individuals will want to work and will be able to perform.

It is pleasing to note that thoughtful, professional management of strategic challenges did occur throughout the year, producing decisions of long term benefit to the Museum, its audiences and other key stakeholders. A strategic planning expert was retained to guide the Museum as we focused on our purpose, the ongoing role of our collections and the development of staff. The Board was clear and united on the point that it wants to see internal cultural change which reflects inclusiveness and demonstrates respect for all within the organisation.

Wise and prudent stewardship over recent years has created a reserve of funds committed to meet the Museum's need to renew major assets such as its Māori and Natural History galleries every 15 years or so. Good progress was made in 2009/2010 to scope this significant process.



Extensive research was completed to clarify the place the Museum occupies within the Auckland leisure market, how we can better serve existing audiences and offer more value to other audiences. A comprehensive quarterly exit survey was established, producing invaluable insights from 1,200 people throughout the year about their levels of satisfaction and many other significant aspects of their visit. A number of evaluations were done to inform our master planning – building understanding about the visitor experience at exhibitions and programmes, navigating the Museum and how areas such as the Grand Foyer and Atrium should be arranged.

The Trust Board reviewed its governance practice during the year. This involved input from multiple external sources and resulted in changes to committee structures, and the way the Board reviews policies and conducts structured strategic reviews. A professional and transparent Statement of Investment Policies and Objectives (SIPO) continues to guide the management of the Museum's investment funds while policies relating to management of the Asset Replacement Reserve and the Capital Expenditure Plan were reviewed and strengthened.

It should be noted that a number of significant internally-focused projects designed to bring the Museum closer to international best practice were initiated and completed. The professionalism of our collection management, visitor and market research, commercial benchmarking, building and security as well as financial and other compliance measures were all defined, reviewed, strengthened and implemented.

Another significant decision made during the year was to eliminate the admission donation for Auckland residents. A trial over the summer indicated this change would make the Museum more accessible for Aucklanders and recognise the significant support Auckland residents give the Museum through their annual levy. A compensatory rise in the requested donation from non-residents and international visitors who are not subject to paying rates means that the impact on annual revenues was negligible.

Celebrations marking the 80th anniversary of the Museum's location in Auckland Domain were a special highlight. Event sponsor, the Museum Circle Foundation, and Museum staff ran a wonderful dinner event, with great support from major prize sponsor Estee Lauder and six

*A 4,600 million year old meteorite that crashed through the roof of an Ellerslie house in 2004 is the oldest item held by the Museum. Now 1.3 kg and 13 cm long, the meteorite was the size of a basketball when it hit the earth's atmosphere at about 15 km per second.*

secondary sponsors (listed in Section 10). Our curators, staff and collection items featured in an innovative fundraiser called Artefact/Artefiction.

Fallen soldiers were honoured at the War Memorial at numerous moving events through the year. ANZAC Day commemorations attracted more than 20,000 people including many thousands who paid their respects and enhanced their knowledge and understanding through a variety of Museum public outreach programmes.

The exhibition year had a number of highlights including the two-phased *Wonderland: The Mystery of the Orchid* and *The Magic of the Rose*, and ended on a high with the launch of *Kai to Pie: Auckland on your Plate*.

Relationships with iwi strengthened through the year. Tangata whenua have important taonga in our collections, and their display brings mana to the Museum and we hope to iwi as well. Iwi partnerships enhance our ability to showcase iwi culture and treasures to large numbers

of people, including Māori across the Auckland region, New Zealand's largest concentration of Māori. In response to a request from Te Arawa, the Museum loaned back significant taonga to support the new extension at Rotorua Museum. We continue an enduring relationship with Ngāti Maru by looking after the meeting house 'Hotunui' and have regular contact with Ngāpuhi, Ngāti Porou and Waikato regarding special exhibitions and events. Iwi support for the Museum is guided by our established relationship with Ngāti Whātua o Orakei and the Taumata-a-Iwi, and we hope to establish deeper relationships with iwi in the coming year.

We remain grateful for the valued relationships we have with the Auckland Museum Institute, the Museum Circle and our commercial partners.

As ever, thanks must go to our dedicated staff and research associates, wonderful volunteers, the local authorities, ratepayers and numerous others who partnered with us in 2009/2010.



This treasured Museum and War Memorial is entering a new year determined to play its part as the region's cultural hub, a centre for research and academic excellence and a neutral platform where significant and pertinent issues can be discussed and debated. We have listened to Aucklanders this past year and their feedback has provided an ideal launch pad for our renewal programme. We look forward to being a valued partner with the new Auckland Council and the Council Controlled Organisation responsible for regional facilities. Our approach remains to integrate well with the new structures, be highly valued by the Auckland community and present a warmer, more welcoming face to our public.



Dr William Randall – Chairman



Sir Don McKinnon – Interim Director



*If all the boxes of manuscripts and archives in the Museum Library were set out in a row they would reach from the Museum to Queen Street.*



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## Governance Statement

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**The Auckland War Memorial Museum observes the core elements of the principles of good governance articulated by the Securities Commission. In adhering to these nine principles in all decision making, the Museum follows:**

### **Ethical Standards**

- The Trust Board is committed to the adoption of ethical conduct in all areas of its responsibilities. Its Code of Ethics and Conflict of Interest policies provide direction to Board Members and the Board in addressing ethical issues in the best interests of the Museum.

### **Board Composition and Responsibility**

- The Trust Board is comprised of ten members with the experience and expertise to provide counsel on a broad range of issues and form independent judgement on Museum business. Appointments are governed by the Auckland War Memorial Act 1996 (the Act) with five members being appointed by the Electoral College of Territorial Local Authorities (which as from 1 November is replaced by the Auckland Council); four by the Auckland Museum Institute; and one by the Taumata-a-Iwi (a committee which assists the Trust Board concerning Māori values). Appointments are for two year terms with half the members retiring each year. Retiring members are eligible for reappointment.

In accordance with the Act the Trust Board appoints the Director (chief executive), who has responsibilities to the Board that are laid out in the Act. The Director may be appointed for a term of not more than five years and is eligible for reappointment.

### **Board Committees**

- The Trust Board has established Board Committees to support its governance work and enhance its effectiveness through efficient use of Board Members' individual skills. The Committees have roles defined by their Terms of Reference and make recommendations to the Trust Board. They are:
  - Audit and Risk Committee;
  - Remuneration Committee;
  - Planning Committee;
  - Project Steering Committee;
  - Development Committee.

### **Reporting and Disclosure**

- The Museum's Board prepares and publishes a Draft Annual Plan in advance of each financial year and invites submissions on that Plan and its financial forecasts. This Annual Plan and the anticipated contribution by Territorial Local Authorities for Museum funding for the financial year commencing 1 July annually is required to be approved by the Electoral College.

Shortly after the end of each 30 June financial year the Board publishes its Annual Report. Included in this are full financial statements for the year and a statement of service performance. Together these enable the actual results and outputs for the year to be compared with those that were included in the Annual Plan.

The Annual Plans and the Annual Reports are distributed widely and are also available from the Museum website.

### **Remuneration**

- The Trust Board Members' remuneration is approved by the Electoral College and is published in the Annual Plan (per member) and in the Annual Report as part of the aggregated amount for key Museum personnel.

### **Risk Management**

- The Trust Board and Museum through the work of the Audit and Risk Committee have introduced and implemented a Risk Management Policy and Risk Management Register for identifying and reporting material business and environmental risks to the Board. This programme is undergoing internal trials.

### **Auditors**

- The Trust Board through the work of the Audit and Risk Committee oversee the independent external audit process. The audit appointment is undertaken by Deloitte who report on both the financial statements and the statement of service performance included in the Annual Report.

### **Stakeholder Relations**

- The Trust Board fosters constructive relationships with stakeholders, including the Electoral College, Auckland's Territorial Local Authorities, the Auckland Museum Institute, the Taumata-a-Iwi, the RSA and the Museum Circle. It has actively encouraged the engagement of the whole Auckland community with the Museum on all levels of activities ranging for example from the formal Annual Plan process to public meetings over the proposed renewal of Museum galleries.

### **Stakeholder Interests**

- The Trust Board respects the interests of all Museum's stakeholders and is committed to the needs and expectations of its visitors and communities. The Museum recognises the role of the communities in enhancing the care and understanding of the collections, taonga and War Memorial.

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## Auckland Museum Trust Board



William Randall,  
Chairman Feb 09 – present



Dale Bailey,  
Deputy Chairman

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### Dr William Randall – Chairman

With Masters and PhD degrees in Biology as well as an MBA in Business/ Finance, William Randall has spent 15 years in banking and finance where he managed the treasury function for a large US investment company (Fidelity Investments) and was the managing director of New Zealand stockbroking company ANZ Securities NZ Limited. Currently a director of Capstone Partners, William's primary interest lies in helping the country to develop its biotechnological capabilities in science.

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### Dale Bailey – Deputy Chairman

The Northern Area Manager for Career Services Rapuara, Dale Bailey has a Masters in Geography, a Masters degree in Public Management and a teaching diploma. He has had a career in secondary education and has worked for the Education Review Office. Dale has been widely involved in the governance of heritage and arts organisations and was the founding chairperson of the Te Manawa Museums Trust in Palmerston North. Dale is an honorary life member of the NZ Historic Places Trust, and in 1994 was awarded a Nuffield Commonwealth fellowship to the Commonwealth Institute in London.

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### Paul Brewer

Currently External Relations Director at The Edge, Auckland's performing arts and conventions centre, Paul has held a variety of corporate communications roles mainly in New Zealand's financial, political and cultural sectors. He was the founding director of marketing and communications at the Museum of New Zealand Te Papa Tongarewa where he established and directed all aspects associated with the Museum's external positioning. While at Te Papa, Paul led the successful fundraising project Blue Water Black Magic: A Tribute to Sir Peter Blake in partnership with the New Zealand National Maritime Museum. He was recently appointed a trustee of the Kiri Te Kanawa Foundation. Paul has an MA (Hons) in English Literature from Auckland University.

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### Carol Gernhoefer

Carol Gernhoefer is a chartered accountant with a post-graduate degree in Japanese. Carol has over 15 years of experience as an accountant and consultant working for one of the Big Four chartered accounting firms and also as a CFO for companies in the property, financial services and travel industry. As her work experience was gained in the UK, America, Japan and New Zealand she is able to apply a global perspective to business operations in New Zealand. Carol is currently a freelance accountant and business consultant and has a strong interest in not-for-profit organisations.

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### Peter L Hays

Peter is a Life Member and former President of the NZ Institute of Chartered Accountants and is also a Fellow of the Arbitrators and Mediators' Institute of New Zealand. He has served as NZ chairman of an international accountancy practice, as a member of the NZ Accounting Standards Review Board and as member of the Market Surveillance Panel of the NZ Stock Exchange. He has had a significant involvement in international accountancy including as a member of the Council of the International Federation of Accountants. Peter is a director of several companies and serves also as a trustee of the University of Auckland Foundation. He has had a lengthy association with the Museum through the Museum Circle Foundation, of which he is a former chairman.

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### Dr Margaret Horsburgh

Margaret Horsburgh holds a Doctorate in Education and Master of Arts with honours in Education. Her undergraduate degrees are in anthropology and archaeology. For 25 years she has been involved in tertiary education at a senior level at AUT University and the University of Auckland. She is a registered nurse and holds an Associate Professorship in the Medical and Health Sciences Faculty at the University of Auckland. Margaret has governance experience with both crown companies and not-for-profit organisations and is a member of the Institute of Directors. As an active Rotarian she has wide involvement with communities. More recently, through her work she has been linked with community development projects.



Paul Brewer



Carol Gernhoefer



Peter Hays



Margaret Horsburgh



Margaret Malcolm



John McIntyre



Wendy McPhail



Danny Tumahai

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#### **Margaret Malcolm**

Margaret Malcolm is a qualified lawyer with extensive management and governance experience. She has had 30 years' experience practising primarily in the fields of commercial law both in New Zealand and in Fiji. She is also admitted to practise in Australia. She holds an MBA and was Executive Director of Auckland District Law Society prior to restructuring due to legislative change and reorganisation of the legal profession in 2009. Margaret has served on many Law Society and related committees in New Zealand and internationally.

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#### **John McIntyre**

John McIntyre's background is in the service industry where he has had an extensive career in the travel industry sector, principally in the fields of airline sales, marketing, operations, relationship management and corporate key account travel management. Holding post-graduate qualifications in Marketing and having a strong interest in history and heritage has led to a broadened involvement within the tourism sector. Currently a freelance Auckland tour guide and marketing consultant, John is involved with the strategic development of the AUT University Business History Project.

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#### **Wendy McPhail**

Holding post-graduate qualifications in business administration, Wendy McPhail has 20 years of sales and marketing experience in senior management and professional consulting services. In 1992 she established the Covey Leadership Centre here in New Zealand, a highly successful leadership development organisation, where she worked with organisations throughout Asia Pacific. This work subsequently led to her interest in strategic foresight where, as a director of In Touch Group, she now advises start-ups, private and public sector and not-for-profit organisations on their ability to be positioned effectively in a world of accelerating change.

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#### **Danny Tumahai**

Te Puna Tumahai is a nationally recognised kaumatua (elder) of Ngāti Whātua o Orakei and chair of their Kaumatua Council. From 1996 to 2007 he was chair of the Museum's legislated Māori Advisory Committee: Taumata-a-Iwi (comprising Ngāti Whātua, Tainui and Ngāti Paoa). He replaced the late Sir Hugh Kawharu as the Taumata's second appointee to the Museum Trust Board, carrying overall responsibility for alignment of Māori Values (mana Māori, mana whenua, manaaki) at governance level. Te Puna advises departments of Courts, Corrections and Education; serves on the The Edge (Auckland City Council's Arts Board), the Orakei Reserves Board, National Maritime Museum Trust. On top of this he continuously fulfills Ngāti Whātua civic duties in partnership with the Mayor of Auckland.

***The Museum wishes to pay tribute to two members who left the Trust Board during the year:***

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#### **Timothy Hannah**

Timothy served as a Trust Board member from 2004 till 2009. Timothy is an economist and former Foreign Affairs and Trade official. He has represented New Zealand widely overseas and served as Executive Director of APEC Secretariat. He is trained in public/private sector management and company directing.

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#### **Paul Reynolds – In Memoriam**

Paul served as a Trust Board member from 2006 till 2009. Paul was the co-founder and joint Managing Director of McGovern Online, a full service online media company who, since 1995, provided strategy, design and development in the field of new media and internet to clients in New Zealand, Australia, Fiji and the UK. Paul was Adjunct Director [Digital Library] to the National Library of New Zealand, co-author of *The Internet: A New Zealand Guide* and a digital strategic planning consultant to a number of cultural and heritage institutions in New Zealand and Australia. Paul passed away suddenly in May 2010. E mihi kau ana kia koe e te rangaitira. Moe mai ra.



## Taumata-a-Iwi Report and Kaupapa

E ngā mana, e ngā reo, e ngā mata ā wāka, ngā karangatanga maha puta noa i te motu, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Ngā tātai whetu ki te rangi mau tonu, ngā tātai tangata ki te whenua ngaro noa. Te hunga wairua i te wahi ngaro haere ki a ratou. Ko te hunga ora e tangi nei, e poroporoaki nei, ka piki te ora, ka piki te maramatanga. Tēnā tātou katoa.

*Ko ngā kurī purepure o Tāmaki e kore e ngaro i te pō.*  
Those of Tāmaki who lead in peace or in war never rest.

This ancient whakatauki (proverb) has been associated with Tāmaki for centuries. It uses the metaphor of the spotted dogs skin cloak (kurī purepure) worn only by ariki (chiefs of the highest rank) to refer to their enduring obligation to protect and lead their people of Tāmaki. It is within this context that the Taumata-a-Iwi takes its role with the Trust Board most seriously, setting the scene for continually improving the understanding of Māori cultural values at the Museum, supporting the expression of Māori practices, and sowing the seeds for powerful activities and events.

The Taumata-a-Iwi has taken an active role in supporting relationships with iwi. Reciprocal meetings with Ngā Pūkenga Koeke o Te Arawa were a highlight of the year, together with their request for loans of Te Arawa taonga

for the opening of significant new refurbishments at Rotorua Museum. Ngāti Porou and East Coast leaders visited Auckland Museum and this led to closer relationships with the Tairāwhiti Museum, and visits to Akaroa to meet with leading kaumatua in conjunction with a major exhibition, were very special. This stronger focus on external relationships will see the Museum more connected and relevant to communities and stakeholders raising the bar in terms of expectations and deliverables. There has been much more focus on the future and how the Museum will not only identify opportunities but cultivate them into successful and innovative projects. A lot of work has been done 'behind the scenes' to improve the access and storage of our Māori collections. This ongoing work will be an investment that will bear benefits for generations to come.

Our ancestral remains repatriation project continues and we acknowledge the many consultations occurring across the country. A significant amount of work has been completed on determining a long-term repository for human remains that have little known provenance. The key matter here is treating these remains with the highest dignity and respect acknowledging their various pathways to our Museum.

**Ko te Taumata-a-Iwi te kōmiti Māori mo te whare taonga nei. Ko te kaupapa, te mana motuhake o te kōmiti, i te tuatahi, hapai te mana o te whenua, i te tuarua, whakatairangatia te whakaaro o te Iwi Māori.**

**Tāmaki Paenga Hira/Auckland Museum's legislated Māori Advisory Committee is known as the Taumata-a-Iwi. It is founded upon the principle of mana whenua (customary authority of and over ancestral land), and comprises Ngāti Whatua, Ngāti Paoa and Tainui. The Taumata-a-Iwi acts in a trustee role in representing all interests of Māori in the Museum.**

Ngā reira, kia kaha ra tātou ki te anga whakamua hei tirohanga tiaki i ngā tumanako katoa. Me haere tahi tātou i roto i te whakaaro me ngā manaakitanga o te runga rawa. Noho ora mai.

**Principle i: The right to advise**

The Taumata-a-Iwi will give advice on all matters of Māori protocol within the Museum and between the Museum and Māori people at large.

**Principle ii: Partnership**

Both the Museum and the Taumata-a-Iwi will act reasonably and in the utmost good faith by encouraging the spirit of partnership and goodwill envisaged by the Treaty of Waitangi, recognising the Taumata-a-Iwi's cultural responsibility to wider Māori.

**Principle iii: Maori expectations**

The Museum recognises the right of all Māori to expect the Taumata-a-Iwi, on their behalf as the recognised kaitiaki of the Museum, to:

- monitor the management of their taonga within the Museum
- facilitate repatriation of all whakapakoko, uru moko and koiwi.

**Principle iv: Active protection**

The rights of Māori in the Museum are protected, in kaitiakitanga terms, by:

- safeguarding mana whenua and the lore of Māori
- safeguarding the tapu of the Museum's war shrines
- providing appropriate management of all taonga
- providing all staff and visitors with a culturally safe environment
- taking affirmative action in Māori recruitment, training and education.

**Principle v: Redress for past misunderstandings**

The Museum acknowledges that there may be misunderstandings from the past needing redress and will seek Taumata-a-Iwi advice to:

- objectively explore and assess each example as it comes to light
- minimise and eliminate future needs for redress.



**Martin Mariassouce**

Taumata-a-Iwi Chair

*An important image used by the Museum to represent arrival and hospitality is the pupu tarakihi (paper nautilus), which washes ashore every few generations. It features in a prophecy made by Auckland chief Titahi, predicting the arrival of new peoples, bringing winds of change.*

## The Year In Review

### Introduction

2009/2010 was a significant year as the Museum made progress in a number of strategic areas to enhance the long-term credibility, quality and relevance of the institution. Major projects were launched to comprehensively improve the quality of care given the 3+ million items in the Museum collection. Investment was also directed into projects to improve commercial returns, upgrade the quality of audience research and boost areas critical to operational excellence such as security, building maintenance and internal policies and controls.

There were many successes celebrated during the year, from engaging exhibitions and lively debates to poignant War Memorial commemorations. A major change was the permanent elimination of

the admission donation for Auckland residents. The Trust Board approved this policy change in May after the financial impact was assessed in a five month trial. The Museum Board and Management met two key objectives in making the change: improving accessibility for Aucklanders and increasing revenue from non-residents (due to the requested donation from these visitors being raised from \$5 to \$10).

Celebrations marking the 80th year of the Museum residing in Auckland Domain were a highlight. Several events were held for this special occasion at the end of October, including a project using low-energy lights to illuminate the Museum exterior. The Museum was honoured to have His Worship the Mayor, John Banks, throw the switch to launch the new lighting. Earlier in the night, a fundraising





event, Artefact/Artefiction, featured Museum objects in a lively guessing game and a dinner was held in the Lion Foundation Event Centre. The Museum Circle Foundation was primary sponsor of this sold-out event, and a range of firms provided generous support.

This past year the Museum began the initial phases of a process to create a Master Plan which will fundamentally refresh and update the Museum for decades to come. Galleries will be renewed and the physical structure assessed and updated according to an agreed strategic direction. During the year, phase one of the Welcome Project – a key early element of the Master Plan – included the launch of the new Welcome Lounge facilities in the Grand Foyer. News about Master Plan progress will undoubtedly feature in Annual Reports for the next few years, as the entire Museum is progressively refreshed in line with the institution's goal to be relevant, connected and inspirational to all Aucklanders – and to New Zealand as a whole.

### Exhibitions and Programmes

The year was marked by a desire to reach new audiences, the creation of more exhibition-related

events for the public to enjoy, and a willingness to innovate. Key examples were the *LATE* programme which developed a strong following, and the *Wonderland* exhibition platform which offered visitors two distinct content offerings. This experiment produced valuable learnings to guide planning for future exhibitions. An impressive 'I AM' campaign was created to deliver integrated, consistent messaging to promote a wide variety of Museum activity.

A total of 420,651 visitors came to the Museum during the year. This was a little less than the 434,318 total recorded in 2008/2009, due to the crowd-pulling popularity of two exhibitions in that year and the difficult economic environment in 2009/2010. In addition to recording the total number of people processed through the tills to enter the galleries, the Museum began collecting a second measure of visitation, in line with other high quality museums overseas. The first year of baseline data for this new approach (known as 'reveal' data) recorded the number of visits to the Museum (including spaces other than the galleries) at 802,427. This new measure will provide a benchmark for future performance.

**The 3+ million objects in the Museum's collection include more than 750,000 marine specimens, featuring fish, molluscs and crustaceans such as crayfish and crabs.**

The 2009/2010 exhibition calendar kicked off with *Wonderland: The Mystery of the Orchid* and *The Magic of the Rose*, a two-phased show that invited visitors to explore two of the world's most beautiful and popular flower families. The two parts of the exhibition ran consecutively: *The Mystery of the Orchid* from July to October and *The Magic of the Rose* from October to April 2010. The Museum welcomed over 18,000 visitors to *The Mystery of the Orchid*, and just under 12,500 to *The Magic of the Rose*. Interactive computer programmes and seven digital stories, conceived and created in partnership with performance artist Mika, were developed for these exhibitions.

A programme of events called *Fabulous Fridays* accompanied the exhibition and provided adults with an opportunity to learn more about flower arranging, photography, illustration and more from various experts and artisans.

In October, *Illustrated Leaves: Florilegia from the 16th to 21st centuries* opened in the Pictorial Gallery, showcasing six centuries of illustrated books from the Museum Library's extensive collections. The exhibition also features selected volumes of *The Highgrove Florilegium*, a recently acquired contemporary collection of 63 prints of plants found in the Prince of Wales' organic garden at Highgrove.

A temporary exhibition, *Lucy Cranwell: Walk on the Wild Side*, was opened in the Tamaki Gallery – continuing a rich tradition of displays highlighting

the Museum's extensive botanical collection. This exhibition opened in March and explored the life of pioneering New Zealand botanist Lucy Cranwell through rarely-seen footage and interviews.

The final exhibition of the year opened just prior to the close of the financial year. *Kai to Pie: Auckland on Your Plate* is an exploration of Auckland's culture through stories of food. The exhibition invited visitors to travel through a 'four course meal' based around Fashion, Feast, Fuel and Future. *Kai to Pie* did very well to attract almost 3000 visitors over its opening weekend and was given an award by the Human Rights Commission for its celebration of cultural diversity. A fuller summary of *Kai to Pie* will be included in next year's Annual Report.

The Museum's line-up of programmes was designed to reach a wide-ranging group of visitors. The most popular after-hours event, *LATE at the Museum*, included a season centred on the theme of 'Migration', running from September to December 2009. A new season began in February 2010 with the theme of 'Innovation' and will extend into the new financial year.

Additional programmes for adult visitors included the *Fazioli* series, which concluded its final two performances this past year. In March the Museum inaugurated an annual four-part concert series with the NZTrio, which will continue into the new financial year.



**The exhibition *Kai to Pie: Auckland on Your Plate* attracted almost 3000 visitors to its opening weekend in June 2010.**

Offerings for younger visitors included *Dangerous Museum for Boys and Girls*, a new initiative launched in July for children to discover the Museum's collection. 'Dangerous Boys' and 'Daring Girls' adventure and exploration kits were sold in conjunction with programme, which ran intermittently throughout the year.

*Night at Auckland Museum* ran its second series in conjunction with the *Wonderland* exhibitions and will return to accompany the *Kai to Pie* exhibition.

### War Memorial

As the War Memorial for the Auckland region, the Museum honoured fallen soldiers through several moving events. In November the Museum held special annual commemoration services for Remembrance Sunday and Armistice Day in the World War I Sanctuary. In partnership with the National Geographic Channel, the Museum broadcast the documentary, *Apocalypse: The Second World War* in the Scars on the Heart gallery. This documentary commemorated the 70th anniversary of the start of World War II and received excellent public response during its two-month viewing.

A special remembrance service for the 28th Māori Battalion was held as part of the Battalion reunion in March. The Museum was honoured to display several important artefacts associated with the Battalion, and to host a number of surviving members.

The Museum provided a wide variety of ways for people of all ages to commemorate ANZAC Day. The day began with

the ANZAC Projections, with Sir Peter Jackson's restored Gallipoli film and rare footage of the Pioneer Battalion being welcomed home on Auckland Domain by Ngāti Whātua shown on the northern facade of the Museum. The Dawn Service drew more than 10,000 people, and around 5,000 visitors attended the Civic Service and took a free guided tour of the War Memorial galleries. Two thousand people visited an online Book of Remembrance and the 'I am Remembered' programme featured interviews with veterans living at Ranfurly House. The ANZAC Day poetry contest attracted almost 50 entries, and around 1500 students experienced the Museum's ANZAC programme, offered over a six-week period.

### Collections

The Museum's precious collections ended the year in better shape due to the completion of a number of projects designed to lift collection management practices closer to world-best standards.

With a full year of home-grown exhibitions, the Museum collections group served a huge role in supporting a wide range of exhibits. Significantly for the future, the team also finalised and received Trust Board approval for a Collection Management Plan. This plan provides a comprehensive roadmap to guide how the Museum will continuously improve its storage, recording, preservation and accessibility of the collections.

Collection improvement projects completed during the year included: rehousing of marine type specimens to ensure long-term preservation; decommissioning the



'conservatory' store and relocating objects to more suitable storage areas; resolving environmental issues in the furniture store and land vertebrates store; and creating safe pathway access to collections in the furniture and carving stores. Other improvement projects begun or continued included the relocation of Pacific, history and applied arts textiles to the main level 2 basement store; more efficient storage of small taonga; and beginning fit-out of the new firearms store.

A full inventory of the collection began during the year, with three stores fully inventoried, a fourth almost completed and work underway in a further two stores. A 'full condition assessment' of the collection was initiated to enhance strategic conservation planning. Two stores were fully completed with another 85 percent assessed.

During the year there were 143 human history objects loaned, all within New Zealand, and 1,068 natural history specimens loaned (40 percent within New Zealand, the balance went overseas).

Major acquisitions to the collection during the year included:

- A carved box and presentation set presented to former Prime Minister Joseph Gordon Coates at the laying of the foundation stone for the 1929 Museum building.
- A rare Baining mask from New Britain.
- An unusual nineteenth century (Māori) kumete.
- The Auckland Infantry Regiment ledger.
- Helen Clark's collection of clothing from official occasions including: APEC, ASEAN and the Pacific Forum, the State Banquet with the Queen in 2002, and when she officially met the President of the United States in 2004.
- The herbal, or *generall historie of plantes*.

### Library

Throughout the year, researchers and the general public enjoyed easy access to the extensive research and resource material in the Museum Library, one of New Zealand's finest research facilities. In addition to providing content for the *Illustrated Leaves* exhibition, the Library completed the listing and rehousing of Sir Edmund Hillary's personal papers in preparation for making them accessible to the public.

### Research Activity

The Research team was active across its two broad areas: Natural History (entomology, marine, botany, land vertebrates) and Human History (applied and decorative arts, archaeology, ethnology, NZ history and pictorial). Several Human History curator positions remained unfilled through the year, due to two retirements and a resignation. Despite the reduced pool of curators, extensive support was provided as exhibitions were developed and ongoing improvements were made to the quality of information held about Museum collections.

It was an especially busy year for botany, with the *Lucy Cranwell* exhibition and orchids and roses featuring in *Wonderland*. Research staff also made a significant contribution to the public event, Artefact/Artefiction. An initiative to take high resolution digital photographs of the Museum's 3,800 natural history primary type specimens was begun. In time these will be available on the website. During the year the research staff and associates produced 31 refereed journal papers, reports, books and other publications. There were eight conference presentations and 23 lectures or talks given to external audiences, and research staff answered more than 4,000 public and 1,500 professional enquiries. Three PhD students were supervised and external funding was secured for research and collection enhancement. Brian Gill was presented with the Robert Falla Award for his outstanding contribution to the Ornithological Society of New Zealand.

Major collaborations included the launch of the Virtual Herbarium of New Zealand (with other NZ herbaria) and hosting BioBlitz at the museum in partnership with Landcare Research and the Department of Conservation.

### New Media

The ability of the Museum to use new communication channels and technologies to engage with audiences continued the rapid growth of recent years.

The Museum's online footprint increased significantly, with the development of nearly 600 new pages, many with associated rich media assets. This 38 percent increase in content helped drive the total number of site-wide views to 1.5 million.

The social media presence of the Museum grew to

**693 days would be needed to view the Museum's 330,000 botanical specimens at the rate of one specimen per minute, eight hours per day, seven days a week.**



comprise 800 Facebook fans and 2,500 Twitter followers. A YouTube channel was launched in April and over 80 videos available on the site attracted just under 15,000 views.

Online promotion led to a 72 percent year on year increase in visits to the education section of the website. The Museum's first digital learning project, *I AM Making Movies*, was launched in February and inspired more than 400 students to participate in movie-making projects based on Museum exhibits.

### **Lifelong Learning**

Educational programmes continued to expose young minds to the rich assets of the Museum. Student visitation grew 9 percent on 2008/2009, with a jump in students coming from North Shore City and Waitakere City. Educational opportunities were delivered across the spectrum including early childhood, primary, secondary, tertiary and community groups.

Demand for learning experiences outside the classroom (LEOTC) programmes grew by 30 percent. This was partly due to the increased availability of Museum Guest Educators to deliver curriculum-based programmes, especially those related to taonga Māori and Pacific collections. More than 2,500 students, for example, attended the seasonal Matariki programme – a 26 percent increase on the previous year.

### **Visitor and Market Research**

The Museum continued its drive to better understand its audiences during the year, making investments expected to reap benefits over the long term. A pleasing 94 percent of visitors rated their overall Auckland Museum experience positively.

A number of evaluations and studies were made of various exhibitions, programmes and the overall visitor experience. End-of-exhibition 'summative' evaluations were completed for *Wonderland (Orchids and Roses)* and Sonic Museum, plus the *LATE at the Museum* programme. Visitor experience baseline studies were conducted for: front-of-house service, visitor comfort in the Grand Foyer, visitor comfort in the Atrium, way-finding and use of the 'What's On' digital information board. An evaluation was

done to test audience interest and attitudes about the *Outrageous Fortune* exhibition, scheduled for December 2010. A quarterly survey was conducted to monitor the Museum's visitor profile and record what visitors feel about their experience. Research was also commissioned about Aucklanders' leisure behaviours and motivations and where Museum visitation fits within that.

Overall, the insights gained from research helped inform various strategies, including exhibition and programme development, audience development and gallery/space renewals. Despite the high approval rating given by the vast majority of visitors during the year, the Museum is determined to keep improving performance in this key area in the year ahead.

### **Human Resources**

The Museum made a commitment in 2009/2010 to develop the employment experience and overall culture of the institution. Learning and development initiatives put in place are expected to bear fruit over coming years.

Becoming an employer of choice and a best place to work remains a key goal. In the past year the Performance Management Review (PPR) system was updated to ensure consistency and relevancy in how staff contributions and achievements are reviewed and celebrated. In addition to our dedicated and skilled employees, the Museum was fortunate to have 225 volunteers who gave their valuable time, energy and skills to the organisation. We gratefully received more than 20,601 hours of donated time from our volunteers in 2009/2010. These volunteers provided services to visitors as front-of-house greeters and guides, as well as assisting Museum staff in key areas such as Research, Collections and Lifelong Learning.

### **Commercial Activity**

The Commercial team generated income for the Museum from activities which enhance the visitor experience and are aligned to the mission and goals of the institution.

A fundamental challenge was to efficiently manage the many peaks and troughs in visitor numbers due to tourism seasons, school holidays, busy weekends/quiet weekdays and weather.

***In a busy month the Museum's Qualmark-endorsed facilities will have 20+ bookings such as cocktail events for up to 700 people, weddings, product launches, lectures, recitals, conferences and gala dinners for as many as 450 seated guests.***



An independent review of commercial operations in 2009/2010 established where commercial activity needed to improve to match international best practice. New life was breathed into the tourism sales and distribution strategy. Much stronger relationships were built with tourism operators – leading to increased visitor numbers and revenue from Māori cultural performances and tours of the Māori Gallery and Museum highlights.

The merchandise mix in the Museum's two retail stores was changed to ensure much faster turnaround, and sales rose due to improved stock presentation. Cafe revenue per Museum visitor averaged \$3.09 for the year, comparing well with international benchmarks which range from \$1–\$3 per visitor.

The quantity of income-producing events grew through the year, with a 100 percent increase in wedding functions compared to 2008/2009. A School Ball package was also introduced to broaden the client base in face of lower corporate sector activity, achieving its maximum allocated number of bookings for the year.

The analysis completed in 2009/2010 will inform the development of the Museum's commercial strategy in the years to come.

## Building and Security

Improvements to fire detection systems, energy conservation and heritage planning were priorities for the Building Facilities department in 2009/2010.

Additional smoke and heat detectors were installed in many galleries and back of house areas, ensuring fire detection systems now fully comply with external certification standards. Over 600 smoke and heat detectors were given unique addresses to ensure the location of any activation is immediately identified.

Major energy reduction initiatives resulted in month-on-month electricity savings in excess of 10 percent. Installation of metering and associated software provided accurate data to enable improved monitoring and proactive control of electrical systems.

The Colours and Holocaust galleries were totally refurbished and the Auckland 1866 gallery roof was removed and replaced. The external parapet surrounding the building was extensively renovated.

The hard landscaping of the cenotaph surrounds by Auckland City Council afforded an opportunity for ducting, power, data and fibre-optic cables to be laid underground, ensuring one-stop remote control of ANZAC Day lighting requirements.

A large oil filled electrical transformer (500Mva) was craned off the roof and replaced with a new, larger (1Mva) dry type transformer. This change out significantly increased options to diversify the delivery of electrical power, while also eliminating the potential fire hazard associated with oil filled transformers.

## Finance and Compliance

The Museum systematically introduced and strengthened a number of internal policies and controls to ensure efficient use of public funds across the institution. In undertaking this review, the Museum sought to work from the underlying principles of best value for money, accountability, openness, fairness, integrity, constant improvement and legislative compliance. New policies and procedures concerning procurement, contracts, delegated authority, risk management and legislative compliance were also prepared and implemented across all Museum activity.

**Over 125,000 deceased service personnel are recorded in the Museum's Cenotaph database, about half of all New Zealanders who have served in any war.**



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## Statement of Service Performance

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**Status Key**

Not Achieved



Fully Achieved

## 1: Foundations of the Museum

An inspiring foundation

Outcomes	Performance Measure	Status	Comments
Superior and effective staff team work throughout the planning and implementation of new projects	Visitation numbers from Auckland region of no less than 45% of total visitors per year	● ● ● ●	Aucklanders made up 46% of visitation according to 2009/2010 visitor profile survey.
Maintenance and development that reflects the collections' importance	Training in project management for 100% of all relevant senior managers	● ● ● ○	Training undertaken by one member of executive team, senior team and sub-project leaders. Additional training scheduled in the upcoming financial year.
Research development to increase scholarship potency			
A high standard of building maintenance quality, reflecting modern sustainability concerns			Cross functional operational teams established with terms of reference.
Repatriation project an active part of day-to-day undertakings	Peer review of collection and research strategy indicating at least 70% positive feedback	● ● ● ○	<p>A collection development plan incorporating an updated acquisition approach is in progress. This Plan together with the research development plan will be completed in the 2010 year.</p> <p>A collections management plan developed and successfully implemented with 100% positive feedback from peer review.</p>
	Sustainable operation of building as measured by external audit	● ● ● ○	Still in progress. An independent Level 2 Energy Efficiency and Conservation Authority (EECA) survey is complete. Remainder of work to be completed by November 2010.
	Continuation of the ancestral human remains project	● ● ● ●	<p>The project continues with ongoing consultation with source communities in New Zealand.</p> <p>Review of project completed.</p>

*A large polar bear and three musk oxen – bought from a London taxidermy firm in 1906 thanks to a £500 bequest – have been displayed almost continuously by the Museum for 100 years.*

## 2: Museum as Forum

A hub of discourse for our region

Outcomes	Performance Measure	Status	Comments
<p>A seasonal concept driven visitor strategy is developed that integrates discourse and socialising events with exhibitions and programmes</p> <p>This programme is developed for engagement within the ethnic, creative, and scientific communities, amongst key opinion leaders and decision makers and a younger audience</p> <p>Opportunities identified for Museum and Auckland region to grow closer in mission and goals</p>	At least three series of forum-related events, with an associated programme, per year, starting in 2009-10	● ● ● ●	<p>More than 3 series completed (<i>LATEs</i> at Auckland Museum, Roundtables, lectures and <i>Artefact/Artefiction</i>). <i>LATE at the Museum</i> Season 2 September to December 2009; Season 3 commenced in February, 2010. Roundtable discussion forums were held on various topics including marketing and reputation, collections and research, and gallery renewals. <i>Artefact/Artefiction</i> was launched in October coinciding with Museum building 80th birthday celebrations.</p>
	Variety and quality of discussions reflect current concerns of Aucklanders, via agreed research	● ● ● ●	Regional segmentation research and expert panel workshops were conducted to better understand the leisure needs of Aucklanders and to inform the planning and development of exhibitions and programmes. Findings have been incorporated into the audience development strategy.
	Peer reviews from leaders in specific communities reflect minimum 85% favourable impression of Museum	● ○ ○ ○	Not evaluated.

Sea slugs that caused illness or death in dogs on Waitemata Harbour beaches in 2009 were found to contain tetrodotoxin, a potent neurotoxin with no known antidote. Analysis of specimens in the Museum collection confirmed that tetrodotoxin was present in the sea slug at least 20 years ago, and it has likely always had the toxin.

### 3: Re-Telling the Museum

A compelling destination and experience

Outcomes	Performance Measure	Status	Comments
Multiple access points to Museum content, open to a broadened set of communities and enhanced by enriched interactions between visitors and Museum staff	Visitor satisfaction feedback regarding overall Museum experience is minimum 85% positive	● ● ● ●	94% of visitors rated their overall Museum experience positively. A positive rating is classified as 'excellent' or 'good', according to visitor profile data.
Improved circulation flow, emphasising an enriched visitor experience	Positive qualitative feedback on new galleries, activities, and gallery renewal reflected by visitor survey	● ● ○ ○	Gallery renewals still underway. Summative evaluations were completed for <i>Wonderland: Mystery of the Orchid</i> and <i>Wonderland: Magic of the Rose</i> , Sonic Museum and <i>LATE at the Museum</i> . Baseline studies were conducted for front-of-house service, visitor comfort in the Grand Foyer, visitor comfort in the Atrium, wayfinding and use of the digital 'What's On' board. Front-end evaluation was conducted for the proposed <i>Outrageous Fortune</i> exhibition. In addition, a quarterly visitor profile survey was conducted to monitor the visitor experience. Many areas of the surveys received positive feedback.
Rich participation with Māori and War Memorial dimensions, designed to honour traditional audiences and inspire new generation Aucklanders to participation			
	Delivery of the Master Plan	● ○ ○ ○	Master Plan has not been completed. A Trust Board subcommittee has been established to oversee the Master Planning process. A Capital Projects team is conducting wide consultation and fine tuning project planning. Master Plan due in 2010 year.
	Delivery of gallery project in 2009	● ○ ○ ○	A gallery project was not completed. Projects accomplished to date include the Welcome Project (Phase 1), the Exterior Lighting project and concept planning for the Mobile Museum. A new customer information system has been identified for implementation in 2010. Additional projects will be commenced on completion of the Master Plan.

#### Additional Notes/Comments:

Annual visitor profile survey based on 1,220 exit interviews with visitors aged 15 years and older during 4 months of the 2009/10 year.

## 4: Lifelong Learning Laboratory

A progressive educator

Outcomes	Performance Measure	Status	Comments
<p>An increase in the level of educational collaboration, with special attention to the Auckland region</p> <p>Closer alliances with schools of territorial authorities and iwi that promote collaborative learning</p> <p>Increasingly meaningful connections with universities, research centres, creative communities, and museological entities globally</p> <p>Realigned online packages and products to enhance learning offerings</p>	<p>10% increase in breadth and variety of student populations interacted with, measured annually</p>	● ● ● ○	<p>Museum experienced an 8.6% growth in overall student visitation (44,757 in 2009/10 compared with 41,217 in 2008/09). School visitation from Territorial Local Authorities increased by 6%, the three top TLAs being Auckland City 10,983, Manukau 8,453 and North Shore City 7,153.</p>
	<p>Number of educational offerings, both on and offline, from Museum to students increases by 25%</p>	● ● ● ●	<p>The Museum saw a 30% increase in the demand for LEOTC programmes and a 72% increase in online visitation to the education section of the Museum's website. <i>I AM Making Movies</i>, the Museum's first digital learning project, was launched in February. Educational offerings were delivered to a wide range of groups, from early childhood education (ECE), primary, secondary, tertiary and community groups.</p>
	<p>At least one outreach activity in each of the TLAs as a measure of increased presence in communities</p>	● ● ○ ○	<p>Various hands-on learning programmes were delivered to 17 libraries in Manukau, Auckland and Waitakere TLAs. Collaborations with these libraries have mostly been in support of Pasifika Month and Samoan Language Week. Such programmes have been delivered in English and Samoan by Auckland Museum staff and several well-known community identities. No outreach programmes were offered in Franklin, Papakura, Rodney or North Shore.</p>
<b>Additional Notes/Comments:</b>			

Lifelong Learning comprises Schools Services and the Children's Discovery Centre.

## 5: New Media Broad and Narrow Casting

A generator of innovation

Outcomes	Performance Measure	Status	Comments
Trialling and review of online tools and technologies	Minimum 10% increase in delivery of virtual content, assessed by number of exhibition-specific sites and corporate communication incorporating web strategy	● ● ● ●	There has been in a 38% increase in available pages, and over 1.5 million site-wide page views. At 30 June 2010, the Museum's website had a total page count of 2,050 individual pages. Over 565 new pages, many with associated rich media assets (video, audio and image files) were created for specific exhibitions and events. 640 micro-blog posts about Museum activities were generated, resulting in 615 visits to the main website and online exhibition content. The number of repeat website visitors is up 19% on the same period last year.
Integrated campaigns across traditional and non-traditional channels			
Enhanced way-finding and internal promotion of Museum attractions, resources, facilities and services			
	Number of visitors to website and site-specific content increasing at least 10% year on year (baseline to be measured in 2008/9 year)	● ○ ○ ○	An 8% decrease in overall visitation is attributed to the 87,027 website visits in January of the previous year for the live shark dissection. The website and online collection database MUSE attracted 469,165 visits to 30 June 2010 compared with 510,447 visits last year.

### Additional Notes/Comments:

- In-gallery interactive computer programmes produced for *Wonderland: Mystery of the Orchid* and *Wonderland: Magic of the Rose*
- Seven digital stories, conceived and created in partnership with performance artist Mika, were developed for the *Wonderland* exhibitions
- Production and installation of a digital 'What's On' board in the Grand Foyer and Atrium

Two hundred and twenty five volunteers donated 20,601 hours of valuable work to Auckland Museum in the past year.

## 6: Business/Commercial

A responsible business focus

Outcomes	Performance Measure	Status	Comments
Better understandings of core public and a better articulation of our economic position within the community	Commercial activity contributes to in excess of 30% of Museum's operating revenue	● ● ● ○	Commercial activity contributed 23% of Museum's operating revenue. Shortfall attributed largely to decrease in tourism market and corporate functions market.
Demonstrate increases in the commercial efficacy of the shop and cafe	Breadth and depth of commercial offerings increased, measured against 2008-2009 benchmarks	● ● ● ●	Museum saw a 100% increase in wedding functions. School Ball packages were introduced which reached maximum bookings for the 09/10 year. Conference package developed and offered to the market.
Enhanced visitor experience with regard to commercial elements of the Museum offering			
Museum viewed as an indispensable part of the tourist itinerary			
New and revitalised existing partnerships, mapping to the Museum's evolved brand and status in Auckland	Existing sponsors are maintained and at least one new significant long-term sponsorship relationship is developed year on year	● ● ● ○	Relationships with existing sponsors remain strong. Museum Circle was primary sponsor of Museum's signature event, Artefact/Artefiction, in October. The event celebrated 80 years of the building and developed potential sponsorship. EQC is working again with the Museum on new development. Work continues on identifying new sponsor opportunities.
	Financial performance against agreed budgets	● ● ○ ○	Store revenue 78% to budget. However, revenue was up 21% from 2009 (\$1.05 million to \$1.33 million). Store yield per customer is up from 2.43 in 2009 to 3.18 in 2010. A major 'Situational Analysis and Issue Identification' report was completed of all commercial areas to identify opportunities for future development and improvement. Analysis will be utilised as the basis for developing the commercial strategy across all portfolios.

### Additional Notes/Comments:

- Tourism accounts have increased by 22% and relationships with all existing accounts have been re-established. Enlisted 56 referral agents belonging to hotels and backpackers.



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## Financial Statements

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## SUMMARY OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

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### STATEMENT OF COMPLIANCE

The reporting entity is Auckland War Memorial Museum (the Museum) which is a body corporate established in the Auckland War Memorial Museum Act 1996. Its principal activity is managing, maintaining and developing the Museum.

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities. The Financial Statements comply with International Financial Reporting Standards (NZ IFRS).

The Museum has adopted the revised NZ IAS 1 'Presentation of Financial Statements' for the first time in the financial statements. This standard requires entities to choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income). The Museum has chosen to present one performance statement, the Statement of Comprehensive Income. Adoption of the standard has not resulted in any change to the Museum's reported result or financial position.

The Museum has adopted the amendments to NZ IFRS 7 'Financial Instruments: Disclosures' in the financial statements. The amended NZ IFRS 7 requires a three level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements. Adoption of the standard has not resulted in any change to the Museum's reported result or financial position.

The financial statements were authorised for issue by the Auckland Museum Trust Board on 15 October 2010.

The Museum is exempt from payment of income tax as it is treated by the Inland Revenue as a charitable organisation. Accordingly no income tax balances are accounted for.

### BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through the Statement of Comprehensive Income. The methods used to measure fair values are discussed below. The accrual basis of accounting has been applied, as has the going concern assumption.

The Financial Statements are prepared net of GST.

Components of the financial statements not prepared on the basis of historical cost or deemed cost are:

1. Investment property which is carried at fair value;
2. Certain financial instruments which are carried at fair value; and
3. Inventory which is carried at the lower of cost and net realisable value.

The functional and presentation currency is New Zealand Dollars (NZD) rounded to the nearest thousand.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been consistently applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented in these financial statements for the year ended 30 June 2009.

### SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

#### (a) Employment benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, alternative leave, long service leave, sick leave and retirement gratuity when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Museum in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

#### **(b) Financial assets**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value plus transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at their value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### ***Financial assets at fair value through profit or loss (FVTPL)***

Financial assets in this category are either financial assets held for trading or financial assets designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

1. It has been acquired principally for the purpose of selling in the near future; or
2. It is a part of an identified portfolio of financial instruments that the Museum manages together and has a recent actual pattern of short-term profit-taking; or
3. It is a derivative that is not designated and effective as a hedging instrument.

All derivatives entered into by the Museum are classified as held for trading as the Museum does not apply hedge accounting.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss recognised in the income statement includes any dividend or interest earned on the financial asset.

#### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in the active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

#### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. A trade receivable is deemed to be uncollectible upon notification of insolvency of the debtor or upon receipt of similar evidence that the Museum will be unable to collect the trade receivable. Changes in the carrying amount of the allowance account are recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed.

In respect of financial assets carried at amortised cost, with the exception of trade receivables, the impairment

loss is reversed through the income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. Subsequent recoveries of trade receivables previously written off are credited against the allowance account.

**(c) Financial instruments issued by the Museum**  
***Debt instruments***

Debt instruments are classified as financial liabilities in accordance with the substance of the contractual arrangement. Debt is classified as current unless the Museum has the unconditional right to defer settlement of the debt for at least 12 months after the balance sheet date.

***Other financial instruments***

Other financial liabilities are measured at amortised cost using the effective interest method.

**(d) Derivative financial instruments**

The Museum enters into forward foreign exchange contracts to manage its exposure to foreign exchange rate risk when purchasing equipment and exhibitions in foreign currencies.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The Museum has not adopted hedge accounting.

**(e) Foreign currency**

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair values that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

**(f) Goods and Service Tax**

All balances are presented net of Goods and Services Tax (GST), except for receivables and payables which are presented inclusive of GST.

**(g) Impairment of assets**

At each reporting date, the Museum reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Museum estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

The Museum applies the public benefit exemption in relation to NZ IAS 36 'Impairment' that allows value in use to be equal to depreciable cost.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase. An impairment of goodwill is not subsequently reversed.

**(h) Intangible assets**

Computer software is a finite life intangible asset and is recorded at cost less accumulated amortisation and

impairment losses. It is amortised over three years on a straight line basis.

#### **(i) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on an average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **(j) Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition investment property is measured at its fair value at the reporting date as determined by an independent registered valuer. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

#### **(k) Leased assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### ***Entity as lessor***

Operating lease revenue is recognised in the income statement on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

##### ***Entity as lessee***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern over which economic benefits from the leased asset are consumed.

#### **(l) Payables**

Trade payables and other accounts payable are recognised when the Museum becomes obliged to make future payments resulting from the purchase of goods and services.

#### **(m) Property, plant and equipment**

All items of property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Donated assets are initially recorded at fair value and subsequently at that value less accumulated depreciation and accumulated impairment losses.

##### ***Collections***

Collection fixed assets are those artefacts that are of cultural or historical importance. The Museum maintains a physical inventory of all the assets that comprise the collection fixed assets. The residual amount of the collection is considered to be equal to or greater than the carrying value in the financial statements. Their asset lives are indeterminable and the depreciable amount negligible. Depreciation is charged where a decrease in the residual value is identified. The Museum does ensure that that the carrying value of the collection assets has not been impaired, that they still exist physically, have not lost value materially in aggregate due to their physical deterioration, nor have lost value materially in aggregate due to the diminution in their market values.

##### ***Other property, plant and equipment***

The depreciable amount of an asset is allocated on a systematic basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end, to ensure the asset's residual value does not exceed its carrying amount, and that the residual value is an amount equal to or greater than the asset's carrying amount.

Depreciation is charged at the following annual rates on a straight-line basis.

Collections:

Heritage assets	Nil
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Buildings:

Buildings	1-2%
Office furniture and fittings	20%

Display:

Display galleries	7-13%
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Equipment:

Plant and equipment	5-20%
Motor vehicles	20%
Information technology	33%

## **(n) Provisions**

Provisions are recognised when the Museum has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

## ***Onerous contracts***

Present obligations arising under onerous contracts are recognised as provisions. An onerous contract is considered to exist where the Museum has a contract under which the unavoidable costs of meeting the contractual obligations exceed the economic benefits estimated to be received.

## **(o) Revenue recognition**

### ***Levies***

Local authority levies are received from the seven contributing local bodies, being Auckland City, Waitakere City, North Shore City, Manukau City, Papakura City, Rodney District Council and Franklin District Council, and are recognised as revenue when received.

### ***Donations***

Donations are recognised as revenue upon receipt.

### ***Admissions***

Admissions received for special exhibitions and events are recognised as revenue as received.

### ***Sale of goods***

Revenue from the sale of goods is recognised when the Museum has transferred to the buyer the significant risks and rewards of ownership of the goods.

## ***Rental revenue***

Rental revenue in relation to operating leases on the Museum's investment properties is recognised in the income statement on a straight-line basis over the lease term.

## ***Dividend and interest revenue***

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised using the effective interest rate method.

## **(p) Research and development costs**

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

## **(q) Changes in accounting policies**

There are no changes to accounting policies.

## **(r) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Museum's accounting policies, which are described in the notes, the trustees are required to make judgements, estimations and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## ***Fair value of investments – restricted of \$47.856 million***

The estimation in establishing the fair value of investments is undertaken by external independent sources. The Museum relies on New Zealand Asset Management and Milford Asset Management.

#### **Fair value of collections of \$265.989 million**

The Museum's collection assets comprise all heritage assets of cultural and historical significance including artefacts, artworks, manuscripts and library assets. At 1 July 2006 (transition to NZ IFRS) all collection assets that are recognised in the accounts whether purchased or gifted were fair valued as their deemed cost ('cost'). Subsequent to July 2006 collection assets are carried at cost less any impairment losses if applicable, or at fair value where gifted. Given the nature of such assets, their fair value involves the use of judgment in selecting an appropriate valuation technique.

#### **Fair value of building of \$125.290 million**

The Museum valued the building at deemed cost at the transition to NZ IFRS. This required an assessment of the depreciated replacement cost at 1 July 2006. DTZ New Zealand Ltd MRENZ was commissioned to assess this value. The fair value of the Museum building is not able to be reliably determined using market based evidence given its unique nature.

#### **Useful lives and residual values of property, plant and equipment of \$22.994 million**

As described in (m), the Board reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

#### **(s) Disclosure of new NZ IFRS approved but not yet effective**

There are several new or amended financial reporting standards and interpretations that have been issued by the Financial Reporting Standards Board but are not yet effective.

The following are the new or revised Standards or Interpretations in issue that are not yet required to be adopted by entities preparing financial statements for periods ending on 30 June 2010:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to NZ IAS 24 'Related Party Disclosures'	1 January 2011	30 June 2012
NZ IFRS 9 'Financial Instruments'	1 January 2013	30 June 2014
Improvements to International Financial Reporting Standards 2010 – Improvements to other standards	1 January 2011	30 June 2012

#### **Amendments to NZ IAS 24 'Related Party Disclosures'**

The amendments simplify the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government-related entities) and clarify the definition of a related party.

#### **NZ IFRS 9 'Financial Instruments'**

The Standard introduces new requirements for the classification and measurement of financial assets and is effective from 1 January 2013 with early adoption permitted. All recognised financial assets that are currently in the scope of IAS 39 will be measured at either amortised cost or fair value.

#### **Improvements to New Zealand Equivalents to International Financial Reporting Standards 2010**

This Standard is a result of the IASB's annual improvements process, and includes amendments to certain recognition, measurement, and presentation requirements of International Financial Reporting Standards.

The other new or amended standards and interpretations are not applicable to the Museum.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010 \$000s	Annual Plan 2010 \$000s	Actual 2009 \$000s
<b>Revenue</b>				
Local authorities levy		23,402	23,402	22,304
Interest revenue		557	960	1,156
Grant revenue		330	326	361
Admissions		1,151	1,363	1,242
Commercial operations		3,364	4,464	3,328
Donations, Sponsorship, Event and Other revenue		1,129	848	747
Exhibitions		426	881	1,115
<b>Total revenue</b>		<b>30,359</b>	<b>32,244</b>	<b>30,253</b>
<b>Expenses</b>				
Cost of maintenance and management activities	1	28,341	29,760	28,608
Cost of development activities	1	1,027	1,503	575
Interest expense	2	223	231	223
<b>Total expenses</b>		<b>29,591</b>	<b>31,494</b>	<b>29,406</b>
		<b>768</b>	<b>750</b>	<b>847</b>
<b>Project Income</b>				
Grand Atrium project fund raising		-	-	420
Earthquake Commission volcanoes sponsorship		-	-	300
		<b>-</b>	<b>-</b>	<b>720</b>
<b>Net Surplus from Operating Activities</b>		<b>768</b>	<b>750</b>	<b>1,567</b>
<b>Special Purposes Activities</b>				
<b>Revenue</b>				
Interest revenue		163	-	28
Donations		133	-	110
Heritage assets donated		459	-	325
Gain made on sale of investment property	6	155	-	-
Change in measurement of investments at fair value		3,633	-	3,074
Change in measurement of investment property at fair value	6	-	-	(525)
Rental income from investment property		78	-	78
Transfer to exhibitions reserve		-	-	200
		<b>4,621</b>	<b>-</b>	<b>3,290</b>
<b>Expenses</b>				
Allocation to management and maintenance		-	-	29
Operating expenses		179	-	176
Investment property operating expenses		56	-	36
		<b>235</b>	<b>-</b>	<b>241</b>
<b>Net Surplus from Special Purposes Activities</b>		<b>4,386</b>	<b>-</b>	<b>3,049</b>
<b>Total Surplus</b>		<b>5,154</b>	<b>750</b>	<b>4,616</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>5,154</b>	<b>750</b>	<b>4,616</b>
Allocated to:				
General equity		768	750	1,567
Special purposes equity		4,386	-	3,049
		<b>5,154</b>	<b>750</b>	<b>4,616</b>

The accompanying notes and accounting policies form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Actual 2010 \$000s	Actual 2009 \$000s
<b>Current Assets</b>			
Cash and cash equivalents		1,215	615
Short term investments		3,169	3,205
Short term investments – restricted	17	1,836	2,800
Trade receivables		274	274
Goods and Services Tax receivable		137	280
Prepayments		329	321
Inventory of finished goods		391	591
		<b>7,351</b>	<b>8,086</b>
<b>Current Liabilities</b>			
Trade payables and accruals		2,237	2,587
Employee benefits	5	783	765
Foreign currency forward contracts		–	–
		<b>3,020</b>	<b>3,352</b>
<b>Net Current Assets</b>		<b>4,331</b>	<b>4,734</b>
<b>Non Current Assets</b>			
Intangible assets	8	518	195
Property, plant and equipment	7	414,273	416,758
Investments – restricted	17	46,020	37,587
Investment property – restricted	6	–	675
		<b>460,811</b>	<b>455,215</b>
<b>Non Current Liabilities</b>			
Interest bearing loan	9	3,000	3,000
Employee benefits	5	307	268
		<b>3,307</b>	<b>3,268</b>
<b>Net Assets</b>		<b>461,835</b>	<b>456,681</b>
<b>Represented by Public Equity made up of:</b>			
General equity		413,979	415,282
Special purposes equity	17	47,856	41,399
		<b>461,835</b>	<b>456,681</b>

For and on behalf of the Trust Board:



Dr William Randall  
Chairman

15 October 2010



Sir Don McKinnon  
Museum Director

15 October 2010

The accompanying notes and accounting policies form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	General Equity \$000s	Special Purposes Equity \$000s	Total Equity \$000s
<b>EQUITY 2010</b>			
<b>Opening Balance</b>	415,282	41,399	456,681
Transfer from Statement of Comprehensive Income Operating Surplus	768	4,386	5,154
Transfer of capital expenditure from Asset Replacement Reserve	5,803	(5,803)	-
Transfer of depreciation levy to Asset Replacement Reserve	(7,874)	7,874	-
<b>Closing Balance 30 June</b>	<b>413,979</b>	<b>47,856</b>	<b>461,835</b>

The Museum's capital is its equity, which comprises accumulated funds and other reserves.

The levy received from the Local Authorities includes an amount to recompense depreciation in the Museum's Property, Plant and Equipment, the funds in respect of which are transferred from General Equity to the Asset Replacement Reserve. When expenditure is incurred on the replacement of the assets the funds are reclassified from the Asset Replacement Reserve into General Equity.

Interest, realised gains and losses, and increases and decreases in investment values are recognised through the Statement of Comprehensive Income. They accordingly form part of the surplus or deficit transferred to Museum Capital. Investment income is then allocated to the Reserves on a pro-rata basis. Subsequent use of these funds may be restricted by Trust Deed or established policy.

	General Equity \$000s	Special Purposes Equity \$000s	Total Equity \$000s
<b>EQUITY 2009</b>			
<b>Opening Balance</b>	418,948	33,117	452,065
Transfer from Statement of Comprehensive Income Operating Surplus	1,567	3,049	4,616
Transfer of capital expenditure from Asset Replacement Reserve	2,641	(2,641)	-
Transfer of depreciation levy to Asset Replacement Reserve	(7,874)	7,874	-
<b>Closing Balance 30 June</b>	<b>415,282</b>	<b>41,399</b>	<b>456,681</b>

The Auckland War Memorial Museum Act 1996 (the Act) requires the Museum to manage and account for its revenue, expenses, assets, liabilities, investments and financial dealings generally and in accordance with the relevant financial management principles and accepted Accounting Practice, whilst remaining a going concern. Museum capital is largely managed as a by product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The accompanying notes and accounting policies form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010 \$000s	Actual 2009 \$000s
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Levy on local authorities		23,402	22,304
Receipts from operations		6,544	6,862
Interest received		720	1,184
Dividends and bequests received		210	111
		<b>30,876</b>	<b>30,461</b>
Cash was applied to:			
Payments to suppliers		11,465	11,760
Payments to employees		10,200	9,816
Payments relating to special purposes		235	241
Interest paid		223	223
		<b>22,123</b>	<b>22,040</b>
<b>Net Cash Flow from Operating Activities</b>	13	<b>8,753</b>	<b>8,421</b>
<b>Cash Flows from Investing Activities</b>			
Cash was provided from:			
Grand Atrium project fundraising		-	420
Other capital funds		-	300
Proceeds from disposal of investment property		830	-
Proceeds from disposal of property, plant and equipment		61	-
		<b>891</b>	<b>720</b>
Cash was applied to:			
Purchase of investments		3,798	6,837
Purchase of property, plant, equipment and intangibles		5,246	2,805
		<b>9,044</b>	<b>9,642</b>
<b>Net Cash Flow Used in Investing Activities</b>		<b>(8,153)</b>	<b>(8,922)</b>
Net (decrease) increase in cash held		600	(501)
Opening cash balance		615	1,116
<b>Closing Cash Balance</b>		<b>1,215</b>	<b>615</b>
Represented by:			
Cash and bank		1,215	615
<b>Closing Cash Balance</b>		<b>1,215</b>	<b>615</b>

This statement is prepared net of GST.

The accompanying notes and accounting policies form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Actual 2010 \$000s	Annual Plan 2010 \$000s	Actual 2009 \$000s
<b>1. COSTS OF ACTIVITIES</b>			
<b>COSTS OF MAINTENANCE AND MANAGEMENT ACTIVITIES</b>			
<b>Delivery</b>			
Collections and research	3,091	2,602	3,333
Programmes and exhibitions	3,464	4,916	4,355
Customer service	1,404	1,857	1,688
Corporate services	2,265	2,156	2,055
Occupancy	423	420	379
Depreciation	781	787	816
<b>Total Delivery</b>	<b>11,428</b>	<b>12,738</b>	<b>12,626</b>
<b>Commercial</b>			
Events	387	737	356
Retail shops	1,237	1,460	1,418
Tourism and cultural performance	464	498	422
Development	597	188	394
Car park	29	282	25
Corporate services	308	293	282
Occupancy	2,536	2,518	2,277
Depreciation and software amortisation	4,684	4,725	4,897
<b>Total Commercial</b>	<b>10,242</b>	<b>10,701</b>	<b>10,071</b>
<b>Communication</b>			
Activities	2,625	2,285	1,926
Corporate services	436	415	399
Occupancy	1,268	1,259	1,138
Depreciation	2,342	2,362	2,448
<b>Total Communication</b>	<b>6,671</b>	<b>6,321</b>	<b>5,911</b>
<b>Total Maintenance and Management Costs</b>	<b>28,341</b>	<b>29,760</b>	<b>28,608</b>
<b>COSTS OF DEVELOPMENT ACTIVITIES</b>			
<b>Delivery</b>			
Collections and research	–	180	–
Programmes and exhibitions	–	505	–
Customer service	358	258	–
Corporate services	264	30	220
Occupancy	–	–	–
<b>Total Delivery</b>	<b>622</b>	<b>973</b>	<b>220</b>
<b>Commercial</b>			
Events	–	–	–
Retail shops	–	–	–
Tourism and cultural performance	–	–	–
Development	–	–	–
Car park	–	–	–
Corporate services	36	4	30
Occupancy	–	–	–
<b>Total Commercial</b>	<b>36</b>	<b>4</b>	<b>30</b>
<b>Communication</b>			
Activities	318	520	282
Corporate services	51	6	43
Occupancy	–	–	–
<b>Total Communication</b>	<b>369</b>	<b>526</b>	<b>325</b>
<b>Total Development Costs</b>	<b>1,027</b>	<b>1,503</b>	<b>575</b>

	Actual 2010 \$000s	Annual Plan 2010 \$000s	Actual 2009 \$000s
<b>2. COMPONENTS OF SURPLUS</b>			
The surplus includes the following			
<b>Revenue</b>			
Fair value of volunteers' time	359	258	269
Income from sale of goods	1,336	1,698	1,550
<b>Expenses</b>			
Employee benefits			
Salaries and wages	9,804	10,295	9,654
Termination payments for all employees	453	–	37
Defined contribution plans	104	132	46
	<b>10,361</b>	<b>10,427</b>	<b>9,737</b>
Inventory cost of retail sales	583	906	725
Loss on disposal of fixed assets	492	–	87
Fair value of volunteers' time	359	258	269
Interest	223	231	223
Trust funds spent on library material and publications	174	–	170
Trust Board fees and expenses	160	171	160
Investment property expenses	56	–	66
Taumata-a-Iwi fees and expenses	44	49	50
Auditors' fees – financial statements	38	43	37
Operating lease expenses	12	1	14
Inventory write down costs	11	–	43
Transfer to exhibitions reserve	–	200	200
Impairment of trade receivables	–	–	3

### 3. FINANCIAL COMMENTARY

The Museum in its Annual Plan for 2010 identified \$1.003m of possible additional self generated revenue to fund its additional new development. Due to unforeseen circumstances (primarily related to the global recession) these targets were not achieved. As a consequence expenditure on new development and several other areas were contained, so that the Net Surplus from Operating Activities achieved was back in line with the Annual Plan surplus.

### 4. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Trustees and other members of key management during the year was as follows:

	Actual 2010 \$000s	Actual 2009 \$000s
Short term benefits	1,443	1,561
Termination payments	265	–
Post employment benefits	–	–
Other long term benefits	–	–
Share based payments	–	–
	<b>1,708</b>	<b>1,561</b>

The remuneration of Trustees is determined by the Annual Plan approved by the Electoral College, as per the Auckland War Memorial Museum Act 1996.

	Balance 2008 \$000s	Utilised \$000s	Expensed \$000s	Balance 2009 \$000s	Utilised \$000s	Expensed \$000s	Balance 2010 \$000s
<b>5. EMPLOYEE BENEFITS</b>							
Annual leave	696	211	221	706	184	202	724
Long service leave (current)	70	36	-	34	10	-	24
Sick leave	41	16	-	25	25	35	35
<b>Employee benefits – current</b>	<b>807</b>	<b>263</b>	<b>221</b>	<b>765</b>	<b>219</b>	<b>237</b>	<b>783</b>
Long service leave (non-current)	141	-	15	156	-	33	189
Retirement gratuity	210	123	25	112	-	6	118
<b>Employee benefits – non current</b>	<b>351</b>	<b>123</b>	<b>40</b>	<b>268</b>	<b>-</b>	<b>39</b>	<b>307</b>
<b>Total Employee Benefits</b>	<b>1,158</b>	<b>386</b>	<b>261</b>	<b>1,033</b>	<b>219</b>	<b>276</b>	<b>1,090</b>

	Actual 2010 \$000s	Actual 2009 \$000s
<b>6. INVESTMENT PROPERTY – RESTRICTED</b>		
Balance at beginning of year	675	1,200
Gain (loss) from fair value adjustments	-	(525)
Gain from sale	155	-
Disposal	(830)	-
<b>Balance at end of year</b>	<b>-</b>	<b>675</b>

The fair value of the Museum's investment property at 30 June 2009 was arrived at on the basis of a valuation carried out at that date by DTZ, independent registered valuers. DTZ are members of the Property Institute of New Zealand, and have the appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation conformed to the New Zealand Professional Practice Manual 2006, including IVS 3 'Valuation Reporting', IVA 1 'Valuation for Financial Reporting', and VGN1 'Valuations for Use on New Zealand Financial Reports'.

Where available, the valuation was arrived at by reference to the market evidence of transaction prices for similar properties.

Where there was lack of comparable market data for similar properties, the fair value of those investment properties has been determined by using a valuation model which is discounted cash flow projections based on reliable estimates of future cash flows and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

All the Museum's investment property was held under freehold interests.

The Vaile Trust investment requires this investment to be in real property in Auckland. The property was sold in May 2010. The proceeds have been invested until such time as a suitable alternative property investment is found.

	Capital WIP \$000s	Collection \$000s	Buildings \$000s	Displays \$000s	Equipment \$000s	Total \$000s
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>						
<b>Cost</b>						
<b>Balance at 1 July 2008</b>	<b>990</b>	<b>265,716</b>	<b>136,060</b>	<b>30,242</b>	<b>31,939</b>	<b>464,947</b>
Additions	498	-	82	346	2,147	3,073
Transfers	-	(87)	(2,190)	56	2,221	-
Disposals	-	-	(35)	(1,362)	(2,672)	(4,069)
<b>Balance at 1 July 2009</b>	<b>1,488</b>	<b>265,629</b>	<b>133,917</b>	<b>29,282</b>	<b>33,635</b>	<b>463,951</b>
Reclassification – to Intangibles	-	-	-	-	(183)	(183)
Additions	599	33	3,689	-	973	5,294
Transfers	(1,488)	327	1,094	-	67	-
Disposals	-	-	(206)	(8,536)	(2,932)	(11,674)
<b>Balance at 30 June 2010</b>	<b>599</b>	<b>265,989</b>	<b>138,494</b>	<b>20,746</b>	<b>31,560</b>	<b>457,388</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 July 2008</b>	<b>-</b>	<b>-</b>	<b>7,665</b>	<b>24,940</b>	<b>10,671</b>	<b>43,276</b>
Depreciation expense	-	-	3,010	1,919	3,057	7,986
Transfers	-	-	(436)	6	430	-
Disposals	-	-	(6)	(1,353)	(2,710)	(4,069)
<b>Balance at 1 July 2009</b>	<b>-</b>	<b>-</b>	<b>10,233</b>	<b>25,512</b>	<b>11,448</b>	<b>47,193</b>
Reclassification – to Intangibles	-	-	-	-	(6)	(6)
Depreciation expense	-	-	3,030	1,131	2,889	7,050
Transfers	-	-	-	-	-	-
Disposals	-	-	(59)	(8,461)	(2,602)	(11,122)
<b>Balance at 30 June 2010</b>	<b>-</b>	<b>-</b>	<b>13,204</b>	<b>18,182</b>	<b>11,729</b>	<b>43,115</b>
<b>Book value 30 June 2010</b>	<b>599</b>	<b>265,989</b>	<b>125,290</b>	<b>2,564</b>	<b>19,831</b>	<b>414,273</b>
Book value 30 June 2009	1,488	265,629	123,684	3,770	22,187	416,758

Reclassification: during the year further intangible assets were identified in Equipment, and transferred to Intangible Assets.

	Actual 2010 \$000s Software	Actual 2009 \$000s Software
<b>8. INTANGIBLE ASSETS</b>		
<b>Gross carrying amount</b>		
Balance at 1 July	575	570
Reclassification – from Equipment	183	–
Additions	409	144
Disposals	–	(139)
Balance at 30 June	1,167	575
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July	380	257
Reclassification – from Equipment	6	–
Amortisation expense	263	175
Disposals	–	(52)
Balance at 30 June	649	380
<b>Book value 30 June</b>	<b>518</b>	<b>195</b>

Reclassification: during the year further intangible assets were identified in Equipment, and transferred to Intangible Assets.

Intangible Assets represent the Museum's investment in software, which is amortised over the life of the assets.

	Actual 2010 \$000s	Actual 2009 \$000s
<b>9. INTEREST BEARING LOAN</b>		
Balance as at 30 June	3,000	3,000

Unsecured loan from Auckland City to fund the building of the car park is repayable from 20 November 2011 and the interest is fixed at 7.44% per annum.

## 10. COMMITMENTS UNDER NON-CANCELLABLE LEASES

The Museum has no commitments under non-cancellable leases for 2010 (2009 nil).

	Actual 2010 \$000s	Actual 2009 \$000s
<b>11. CAPITAL COMMITMENTS</b>		
Equipment	542	163
	<b>542</b>	<b>163</b>

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## 12. CONTINGENT LIABILITIES

The Museum has a contingent liability in respect of the Accident Compensation Commission's (ACC) residual claims levy. The levy is payable annually from May 1999 for up to 15 years. The Museum's future liability is a function of ACC's unfunded liability for past claims and future payments.

There were no other contingent liabilities at 30 June 2010 (2009 nil).

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## 13. CONTINGENT ASSETS

Sir Edmund Hillary Archive: The Museum's rights and responsibilities have been established in respect of personal papers, diaries, and other written and illustrative material relating to the life and adventures of Sir Edmund Hillary. When the archive has been fully inventoried and commitments in relation to it assessed, the balance of the collection will be recognised in the Museum's financial statements in accordance with the Museum's accounting policy for donated assets.

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	<b>Actual 2010 \$000s</b>	<b>Actual 2009 \$000s</b>
<b>14. RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total Surplus	5,154	4,616
Cash flows classified as from investing activities	-	(720)
<b>Surplus before Project transactions</b>	<b>5,154</b>	<b>3,896</b>
Add (deduct) non-cash items:		
Depreciation, amortisation and loss on disposal	7,805	8,161
Other	-	1
Investment revaluations and reinvestments	(3,633)	(2,549)
Donation of heritage assets	(459)	(325)
Gain from sale of investment property	(155)	-
	<b>3,558</b>	<b>5,288</b>
Add (less) movements in working capital:		
(Increase) / decrease in accounts receivable	135	(136)
(Increase) / decrease in inventory	200	68
(Decrease) / increase in accounts payable	(351)	(570)
(Decrease) / increase in employee benefits	57	(125)
	<b>41</b>	<b>(763)</b>
<b>Net cash flow from operating activities</b>	<b>8,753</b>	<b>8,421</b>

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## 15. SEGMENT INFORMATION

The Auckland War Memorial Museum is governed by the Auckland War Memorial Museum Act 1996 and operates primarily in the Auckland region with the purpose of providing the public with a museum.

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## 16. FINANCIAL INSTRUMENTS

### Qualitative disclosures

The Museum is subject to a number of financial risks which arise as a result of its activities (i.e. exposure to credit, liquidity, currency and interest risk) arising in the normal course of business.

There have been no changes during the year to the Museum's exposure to these risks, and the manner in which it manages and measures these risks.

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	<b>Actual 2010 \$000s</b>	<b>Actual 2009 \$000s</b>
<hr/>		
<b>16.1 Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	1,215	615
Short term investments	5,005	6,005
Trade and other receivables	411	554
Managed investments	46,020	37,587
<b>Financial Liabilities</b>		
Trade and other payables	2,237	2,587
Auckland City loan	3,000	3,000
Employee entitlements	1,090	1,033

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### 16.2 Financial Risk Management Objectives

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk averse and seeks to minimise exposure from its treasury activities through the diversification of its investments. The Museum has established Museum Approved Financial Management and Investment policies. These provide a framework for the management of financial resources in an efficient and effective way.

The Museum does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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## 16. FINANCIAL INSTRUMENTS continued

### 16.3 Credit Risk – Trade Receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Museum.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Museum's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The average credit period on sales of goods and rendering of services as at 30 June 2010 is 56 days (2009 39 days). No interest is charged on trade receivables. The Museum has provided fully for all debt considered not recoverable, determined by reference to past default experience.

Before accepting a new customer, the Museum assesses the potential customer's credit quality and defines credit limits by customer. The Trade Receivables are constantly reviewed throughout the month and limits are reviewed should the customer not meet the Museum's credit requirements. There are four customers who represent more than 5% of the total balance of trade receivables.

The Museum has minimal exposure to a large volume of small value Trade Receivables arising from group and school visits and venue hire. Credit checks are done on new customers and deposits obtained for venue hire. Prompt action is taken to collect overdue amounts. Bad debt write-offs in 2010 were \$0 (2009 \$2,816). A doubtful debt provision is created when debtors become doubtful.

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	<b>Actual 2010 \$000s</b>	<b>Actual 2009 \$000s</b>
<hr/>		
<b>Aging of Past Due but not Impaired Trade Receivables</b>		
Current	159	234
30-60 days	79	30
60-120 days	36	10
<b>Total</b>	<b>274</b>	<b>274</b>

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In determining the recoverability of a Trade Receivables, the Museum considers any change in the credit quality of the Trade Receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the Museum believes that there is no further credit provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts are individually impaired Trade Receivables. The impairment recognised represents the difference between the carrying amount of those Trade Receivables and the present value of the expected liquidation proceeds. The Museum does not hold any collateral over these balances.

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### 16.4 Credit Risk

Operating funds not immediately required are invested in accordance with the Investment policy. Investments in NZ fixed interest and international fixed interest securities are managed for the Museum by fund managers whose practice is to invest in high grade debt and short-maturity credit securities. Overseas fixed interest investment is invested in securities with a Standard & Poors minimum credit rating of 'A-'. New Zealand fixed interest investments are invested in securities with a Standard & Poors minimum credit rating of 'BBB'. To reduce the credit exposure of the managed investments the Museum has invested in diversified asset classes and within each of these classes there is a maximum limit that can be invested in any one institution or entity. Thus investments are placed across a portfolio of parties to minimise credit risk. There is no significant concentration of credit risk.

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## 16. FINANCIAL INSTRUMENTS continued

### 16.5 Liquidity Risk

Liquidity risk is the risk that the Museum will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

The Museum manages liquidity risk by maintaining adequate funds on deposits, reserves, banking facilities by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Museum is able to meet its contractual obligations from the levy from the territorial local authorities, and self generated revenue.

#### Liquidity Risk

The analysis below is based on contractual maturity of financial liabilities.

	Contractual cash flow \$000s	Less than 1 year \$000s	2-5 years \$000s
<b>30 June 2010</b>			
Trade and other payables	2,237	2,237	-
Employee benefits	1,090	783	307
Forward exchange contracts	-	-	-
Interest bearing loan	3,000	-	3,000
Total	6,327	3,020	3,307

The Museum has the following liquid assets to meet its liabilities:

Cash and cash equivalents	1,215	1,215	-
Short term investments	3,169	3,169	-
Short term investments – restricted	1,000	-	1,000
Receivables and other assets	1,131	1,131	-
	<b>6,515</b>	<b>5,515</b>	<b>1,000</b>

#### 30 June 2009

Trade and other payables	2,587	2,587	-
Employee benefits	1,033	765	268
Forward exchange contracts	-	-	-
Interest bearing loan	3,000	-	3,000
Total	6,620	3,352	3,268

The Museum has the following liquid assets to meet its liabilities:

Cash and cash equivalents	615	615	-
Short term investments	3,205	3,205	-
Short term investments – restricted	-	-	-
Receivables and other assets	1,466	1,466	-
	<b>5,286</b>	<b>5,286</b>	<b>-</b>

## 16. FINANCIAL INSTRUMENTS continued

### 16.6 Currency Risk

Currency risk is the risk that the Museum will suffer losses arising from significant movements in NZD currency in relation to other currencies, when paying for special exhibitions or other overseas purchases, or when valuing international fixed interest securities.

The Museum has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from investing and exhibition activities. Foreign exchange risks on investment funds are hedged by the funds manager as considered necessary. Forward exchange contracts are taken out to cover exhibition commitments. There was no exposure for exhibitions at 30 June 2010 (2009 nil).

Foreign exchange risks on international fixed interest securities are fully hedged while hedging of international equities ranges from 50% to 100%, as considered appropriate by the fund managers. As at 30 June 2010 overseas investment funds were hedged AUD 100%, USD 50% and EUR 50% (2009 all 100%).

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity values. A 10% basis point increase or decrease is used when reporting exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates. As at the balance sheet date the Museum was exposed to the following foreign currencies

	<b>NZD \$000</b>	<b>USD \$000</b>	<b>EUR \$000</b>	<b>AUD \$000</b>	<b>Total \$000</b>
Cash	1,215				1,215
Fixed term investments	3,169				3,169
Trade receivables	411				411
Investments – split by:					
Equities	469	9,769	3,610	6,649	20,497
Fixed Interest	13,556	7,887			21,443
Cash deposits	4,080				4,080
Fixed term investments (restricted)	1,836				1,836
Financial liabilities	(6,327)				(6,327)
	<b>18,409</b>	<b>17,656</b>	<b>3,610</b>	<b>6,649</b>	<b>46,324</b>

At 30 June 2010 if the NZD currency on International Equities had fluctuated + or -10%, the surplus for the Museum would have been \$0.964 million lower/higher (2009 \$0.224 million lower/higher).

### 16.7 Interest Rate Risk

The Museum is exposed to interest rate risk as it invests cash in short and long term deposits at fixed interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Museum to fair value interest rate risk.

The Museum has potential exposure to interest rates on its short term investments. These exposures are managed by investing in bank deposits maturing in less than 12 months. The range of interest rates is reviewed monthly.

At 30 June 2010 if interest rates on cash and cash equivalents and short term investments had fluctuated + or -1%, the surplus for the Museum would have been \$53,000 higher/lower (2009 \$62,000 higher/lower). A 1% basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

## 16. FINANCIAL INSTRUMENTS continued

### 16.8 Other Price Risk (Market Risk)

The Museum has potential exposure to changes in equity prices in its investments in Australasian equities and global equities. All equity investments are subject to changes in value often due to factors beyond the fund managers' control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The fund managers moderate this risk through careful investment selection and diversification, daily monitoring of the funds market position and adherence to the funds investment policy. The maximum market risk resulting from financial instruments is determined by their fair value.

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity indexes. A 10% basis point increase or decrease is used when reporting equity index risk internally to key management personnel and represents management's assessment of the reasonably possible change in equity indexes. At 30 June 2010 if the equity indexes had fluctuated + or -10%, the surplus for the Museum would have been \$2.054 million higher/lower (2009 \$1.595 million higher/lower).

### 16.9 Fair Values

The carrying value of cash and equivalents, short term investments, receivables, payables and interest bearing loans is equivalent to their fair value.

	Interest rates/ returns	Total \$000s	Less than 1 year \$000s	2-5 years \$000s
<b>30 June 2010</b>				
<b>Fixed rate instruments</b>				
Interest bearing loan	7.44%	3,000	–	3,000
<b>Variable rate instruments</b>				
Cash and cash equivalents	2.50%	1,215	1,215	–
Short term investments	3.57%	5,005	5,005	–
Managed Investments	8.61%	46,020	46,020	–
<b>30 June 2009</b>				
<b>Fixed rate instruments</b>				
Interest bearing loan	7.44%	3,000	–	3,000
<b>Variable rate instruments</b>				
Cash and cash equivalents	2.50%	615	615	–
Short term investments	3.70%	6,005	6,005	–
Managed Investments	9.43%	37,587	37,587	–

## 16. FINANCIAL INSTRUMENTS continued

### Classification and Fair Values

The fund managers manage the Museum's investments and make purchase and sale decisions based on their fair value and in accordance with investment strategy. Financial assets at fair value through the Income Statement are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through the Income statement are measured at fair value. Gains and losses arising from changes in fair value of the 'Financial assets at fair value through the profit or loss' category are presented in the Statement of Comprehensive Income when they arise.

	Fair value through profit and loss \$000s	Loans and receivables \$000s	At amortised cost \$000s	Total carrying amount \$000s	Fair value \$000s
<b>At 30 June 2010</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	1,215	-	1,215	1,215
Short term investments	-	5,005	-	5,005	5,005
Trade receivables	-	411	-	411	411
Investments	46,020	-	-	46,020	46,020
	46,020	6,631	-	52,651	52,651
<b>Financial liabilities</b>					
Trade payables	-	-	2,237	2,237	2,237
Employee entitlements	-	-	1,090	1,090	1,090
Interest bearing loan	-	-	3,000	3,000	3,000
	-	-	6,327	6,327	6,327
Net	46,020	6,631	(6,327)	46,324	46,324
<b>At 30 June 2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	615	-	615	615
Short term investments	-	6,005	-	6,005	6,005
Trade receivables	-	554	-	554	554
Investments	37,587	-	-	37,587	37,587
	37,587	7,174	-	44,761	44,761
<b>Financial liabilities</b>					
Trade payables	-	-	2,587	2,587	2,587
Employee entitlements	-	-	1,033	1,033	1,033
Interest bearing loan	-	-	3,000	3,000	3,000
	-	-	6,620	6,620	6,620
Net	37,587	7,174	(6,620)	38,141	38,141

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**16. FINANCIAL INSTRUMENTS** continued**16.10 Fair Value Measurements Recognised in the Statement of Financial Position**

Financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. Financial assets in this category include managed funds. There are no financial liabilities in this category.

The Museum has managed funds measured subsequent to initial recognition at fair value in level 1 as at 30 June 2010 of \$46.020m (2009 \$37.587m).

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1 and 2 in the period.

There are no financial assets in level 2 and 3.

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**16.11 Reconciliation of Level 3 Fair Value Measurements of Financial Assets**

There are no financial assets in level 3.

	Balance 2009 \$000s	Levies, gifts & bequests \$000s	Investment net income \$000s	Operating expenditure \$000s	Capital expenditure \$000s	Balance 2010 \$000s
<b>17. SPECIAL PURPOSES EQUITY</b>						
<b>Restricted Trusts and Bequest Equity Trusts</b>						
Levingston Cooke Family Bequest	2,852	75	231	(148)	-	3,010
Edward Earle Vaile Trust Fund	883	233		(56)	-	1,060
The Waldo Heap Bequest	447	-	35	(21)	-	461
AWMME&B Omnibus Trust	43	-	4	-	-	47
Life Members' Subscription Trust	116	-	10	(5)	-	121
Auckland Museum Endowment Act	52	-	4	-	-	56
Margaret Blythe reserve	-	50	4	-	-	54
Others under \$15,000	38	7	4	-	-	49
<b>Restricted gifts and bequests</b>						
Nancy Bamford bequest	678	-	54	(5)	-	727
Others under \$15,000	61	-	4	-	-	65
<b>Gifts and bequests subject to wishes</b>						
A G W Dunningham bequest	140	-	11	-	-	151
C Whitney Trust	17	-	1	-	-	18
K Pritchard bequest	62	-	5	-	-	67
Len Coakley Trust Fund	55	-	4	-	-	59
Memorial Hall donations	106	-	8	-	-	114
	<b>5,550</b>	<b>365</b>	<b>379</b>	<b>(235)</b>	<b>-</b>	<b>6,059</b>
<b>Special Purpose Museum Reserves</b>						
Catherine E Tong reserve	101	-	8	-	-	109
Ko Tawa reserve	29	1	2	-	-	32
Exhibition reserve	563		44			607
	<b>693</b>	<b>1</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>748</b>
<b>Special Purposes Reserves</b> (excluding Asset Replacement Reserves)	<b>6,243</b>	<b>366</b>	<b>433</b>	<b>(235)</b>	<b>-</b>	<b>6,807</b>
<b>Capital Reserves</b>						
Spedding Reserve	3,961	-	312	-	-	4,273
Refurbishment Stage II Reserve	235	(253)	18	-	-	-
Acquisitions Reserve	629	459	24	-	(787)	325
Heritage Capital Reserve	507	2,553	40	-	-	3,100
Carpark Loan Reserve	-	-	1,000	-	-	1,000
Asset Replacement Reserve	29,824	5,574	1,969	-	(5,016)	32,351
	<b>35,156</b>	<b>8,333</b>	<b>3,363</b>	<b>-</b>	<b>(5,803)</b>	<b>41,049</b>
	<b>41,399</b>	<b>8,699</b>	<b>3,796</b>	<b>(235)</b>	<b>(5,803)</b>	<b>47,856</b>
Special Purposes Equity is represented by:	Short Term Investments (Restricted)					1,836
	Investments (Restricted)					46,020
						<b>47,856</b>

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## 17. SPECIAL PURPOSES EQUITY continued

The Museum holds Special Purpose funds which are invested in financial assets. The assets are invested largely in a portfolio comprising Australasian equities, international equities, domestic fixed term interest and global fixed interest securities and are accounted for at value through the Income Statement. Fair values of these types of financial assets fluctuate due to changes in market prices arising from currency risk, interest rate risk and other price risk.

Restricted investments have been provided to the Museum for specific purposes determined by the donor and the Museum is obligated to use the funds for these specific purposes.

The Museum receives funding for Asset Replacement (including depreciation). The difference between the amount funded and the sum spent on capital expenditure each year is adjusted to the Asset Replacement Reserves. The Museum is currently finalising its Gallery, Space and Storage plans for the next 15-25 years. Once this plan is complete and approved, a major Gallery refurbishment project team will be established to carry out this work. Expenditure over the next few years will see the Asset Replacement Reserve balance reduce considerably.

The Auckland City Car Park loan to the Museum is able to be repaid from 20 November 2011.

### **Nature and purpose of each reserve:**

**Trusts** – trusts and bequests for general purposes.

**Restricted Gifts and Bequests** – trusts and bequests subject to special restrictions.

**Gifts and Bequests subject to Wishes** – trusts and bequests for special purposes as per the wishes of the donors.

**Special Purpose Museum Reserves** – specific reserves established to meet the ongoing and future needs of the Museum.

**Capital Reserves** – specific reserves established to meet the long term future capital needs of the Museum as they become due.

	Balance 2008 \$000s	Levies, Gifts & Bequests \$000s	Investment Net Income \$000s	Operating Expenditure \$000s	Capital Expenditure \$000s	Balance 2009 \$000s
<b>17. SPECIAL PURPOSES EQUITY</b> continued						
<b>Restricted Trusts and Bequest Equity</b>						
<b>Trusts</b>						
Levingston Cooke Family Bequest	2,588	111	253	(100)	-	2,852
Edward Earle Vaile Trust Fund	1,396	-	(447)	(66)	-	883
The Waldo Heap Bequest	444	-	44	(41)	-	447
AWMME&B Omnibus Trust	39	-	4	-	-	43
Life Members' Subscription Trust	111	-	10	(5)	-	116
Auckland Museum Endowment Act	48	-	4	-	-	52
Bertha Wilson – cinematography	7	-	-	-	-	7
Others under \$10,000	28	-	3	-	-	31
<b>Restricted gifts and bequests</b>						
Nancy Bamford bequest	644	-	63	(29)	-	678
Others under \$10,000	58	-	3	-	-	61
<b>Gifts and bequests subject to wishes</b>						
A G W Dunningham bequest	127	-	13	-	-	140
C Whitney Trust	7	-	10	-	-	17
K Pritchard bequest	57	-	5	-	-	62
Len Coakley Trust Fund	50	-	5	-	-	55
Memorial Hall donations	97	-	9	-	-	106
	<b>5,701</b>	<b>111</b>	<b>(21)</b>	<b>(241)</b>	<b>-</b>	<b>5,550</b>
<b>Special Purpose Museum Reserves</b>						
Catherine E Tong reserve	92	-	9	-	-	101
Ko Tawa reserve	25	-	4	-	-	29
Exhibition reserve	336	200	27	-	-	563
	<b>453</b>	<b>200</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>693</b>
<b>Special Purposes Reserves</b>						
(excluding Asset Replacement Reserves)	<b>6,154</b>	<b>311</b>	<b>19</b>	<b>(241)</b>	<b>-</b>	<b>6,243</b>
Spedding Reserve	3,608	-	353	-	-	3,961
Refurbishment Stage II Reserve	214	-	21	-	-	235
Acquisitions Reserve	278	325	26	-	-	629
Heritage Capital Reserve	462	-	45	-	-	507
Asset Replacement Reserve	22,401	7,874	2,190	-	(2,641)	29,824
	<b>26,963</b>	<b>8,199</b>	<b>2,635</b>	<b>-</b>	<b>(2,641)</b>	<b>35,156</b>
	<b>33,117</b>	<b>8,510</b>	<b>2,654</b>	<b>(241)</b>	<b>(2,641)</b>	<b>41,399</b>

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## **18. POST BALANCE DATE EVENTS**

There are no matters arising in connection with the forthcoming establishment of the Auckland Council that affect the Museum's financial statements as at 30 June 2010.

There are no other matters arising since 30 June 2010 that would materially affect the Museum's Statement of Financial Position as at 30 June 2010.

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## **19. RELATED PARTIES**

Related parties are those entities that have significant control, joint control or some influence on the governance and/or activities of the Museum.

Related parties include the Trust Board, the Director and Heads, Electoral College and Museum Institute.

The Electoral College is a statutory body which appoints five members to the Auckland Museum Trust Board and approves the Museum's Annual Plans and Annual Reports, as referred to in the Auckland War Memorial Museum Act 1996, on behalf of the contributing local authorities who are presently responsible for paying the annual levy. There are no financial transactions between the Auckland Museum and the Electoral College. Amendments to the Auckland War Memorial Museum Act 1996 have now been enacted by Parliament. The Electoral College and Territorial Local Bodies are replaced by the Auckland Council. There are no changes to any of the levy, governance processes or to the judgements that affect the financial statements.

The Museum Institute is the learned society and membership body, established in the Auckland War Memorial Museum Act 1996, previously called the Auckland Institute and Museum. The Museum Institute appoints four members of the Auckland Museum Trust Board, and supports the Museum in its objectives and functions as specified in the Act. Financial transactions with the Museum Institute include distribution to the Museum Institute of the Life Members funds 2010 \$5,000 (2009 \$5,000), and reimbursement of costs incurred on behalf of the Museum Institute 2010 \$90,604 (2009 \$52,707) and contributions towards Museum activities and projects 2010 \$0 (2009 \$21,200). As at 30 June 2010 the Museum Institute owed to the Museum \$11,628 (2009 \$16,344). There is no security for this debt. No sums have been written off or provisions made during the year or at year end 2010 (2009 nil).

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## AUDIT REPORT TO THE AUCKLAND MUSEUM TRUST BOARD

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We have audited the financial statements on pages 20 to 54. The financial statements provide information about the past financial performance of The Auckland War Memorial Museum, its performance measures and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out on page 28 to 33.

This report is provided solely for your exclusive use and solely for the purpose of providing an opinion on the statutory financial statements. Our audit has been undertaken so that we might state to the Trust Board those matters we are required to state to them in an auditor's report and for no other purpose. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Trust Board's Responsibilities

The Trust Board is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Auckland War Memorial Museum as at 30 June 2010 and the results of operations and cash flows for the year ended on that date. The Trust Board is also required to report the performance targets and other measures by which the Museum's performance can be judged in relation to its objectives.

The Trust Board responsibilities arise from the Auckland War Memorial Museum Act 1996.

### Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Trust Board.

### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Trust Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Auckland War Memorial Museum's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in Auckland War Memorial Museum.

### Unqualified Opinion

We have obtained all the information and explanations that we have required.

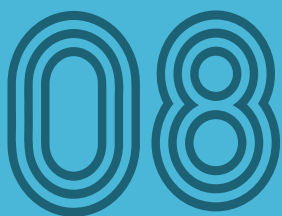
In our opinion the financial statements on pages 20 to 54 fairly reflect the financial position of Auckland War Memorial Museum as at 30 June 2010 and the results of its operations, performance measures and cash flows for the year ended on that date.

Our audit was completed on 15 October 2010 and our unqualified opinion is expressed as at that date.

A stylized, handwritten-style signature of the word "Deloitte" in black ink.

Chartered Accountants  
AUCKLAND, NEW ZEALAND

This audit report relates to the financial statements of The Auckland War Memorial Museum Trust for the year ended 30 June 2010 included on The Auckland War Memorial Museum website. The Auckland Museum Trust Board is responsible for the maintenance and integrity of the Auckland War Memorial Museum website. We have not been engaged to report on the integrity of the Auckland War Memorial Museum website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 15 October 2010 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## Financial Commentary

Despite challenging conditions, the Museum achieved an operating surplus \$768,000 in 2009/2010, \$18,000 ahead of the surplus projected by the Annual Plan.

The Plan for 2010 was deliberately challenging setting a target of achieving over \$1 million of possible additional self generated revenue to enable new development to be funded. However, due to uncontrollable circumstances primarily related to the global recession, the target was not achieved.

As a result, spending on new development and several other areas was contained in order to ensure the net surplus from operating activities remained in line with the surplus projected by the Annual Plan.

Significant factors contributing to the 2009-2010 result against plan include:

- 1) Special Exhibitions revenue was \$455,000 less than the Annual Plan projection of \$881,000. There was only one paid special exhibition this year, which meant that there was no revenue from Special Exhibitions in the second half of the year.
- 2) Interest revenue was \$557,000, well down on plan of \$960,000 as a result of reduced interest rates due to the economic downturn.
- 3) Donations, Sponsorship, Public Event and Other revenue was above plan \$281,000, which was partly contributed to by an increase of \$100,000, which recognised volunteer hours donated at their fair value.
- 4) Admission revenue was below plan due to lower visitation, resulting from the economic downturn.
- 5) Total expenses were \$1,903,000 below plan for 2009/2010, and only marginally up from that reported the previous year. Planned initiatives in Programmes and Exhibitions and in a number of other areas were not started as a result of the reduced revenue achieved.

Employee benefits were kept within plan, with non-budgeted termination payments being offset by the recruitment of some positions taking longer than expected.

- 6) A reduction in Commercial revenue by \$1,100,000 against plan. The event businesses slowed during the year due to reduced event hire activity by the corporate sector, and reduced visitation had a significant adverse effect on our tourism and retail businesses. The expected significant increase in sponsorship income did not eventuate due to the economic downturn. Overall Commercial revenue was at the same level as the previous year.

### Other notes:

- Special purpose activities revenue, referenced on page 34, includes:
  - 1) The increase of the investments managed by external investment managers.
  - 2) The disposal of the investment property.
  - 3) The heritage assets donated as the fair valuation of donated objects.
  - 4) Donations, rental income, gain on sale of property and interest.
  - 5) The Museum has invested funds in hand to apply towards the cost of the renewal of the galleries and heritage capital replacement.



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## Appendices

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## APPENDIX 1 BOARD COMMITTEES AND TERMS OF REFERENCE

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**The Auckland Museum Trust Board has established a number of Committees to help it carry out its statutory duties and functions.**

### **The Planning Committee**

This Committee supports and assists the Trust Board to establish the Annual Plan for the future direction of the Museum, its budgets and the setting of an annual levy paid by contributing authorities. The contents of the Annual Plan are defined by the Auckland War Memorial Museum Act 1996. The Committee is chaired by Dale Bailey and membership is drawn from the Trust Board.

### **The Audit and Risk Committee**

This Committee reviews the disclosure and contents of the annual financial statements and statement of performance presented in the Annual Report, oversees the audit functions and monitors the Museum's assessment of organisational, business and legal risks and the systems and internal controls instituted to eliminate or to detect irregularities and exposures. The Committee is chaired by Peter Hays and membership is drawn from the Trust Board.

### **The Project Steering Committee**

This Committee oversees processes for capital projects, exhibitions and programmes, developed within the Museum, and reviews the funding, budgets and resources of projects requiring capital input. The Committee is chaired by Dale Bailey and membership is drawn from the Trust Board.

### **The Remuneration Committee**

This Committee assists the Board to ensure an effective and positive relationship between the Trust Board and the Director of the Museum is maintained and developed. The Committee is chaired by Wendy McPhail and membership is drawn from the Trust Board.

### **The Development Committee**

This Committee is established to provide advice, assist and support the development of greater financial self sufficiency through significant fundraising activities. The Committee is chaired by Paul Brewer and membership is drawn from Auckland Museum Institute, the Museum Circle and the Trust Board.

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## APPENDIX 2 MUSEUM MEDAL RECIPIENTS

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Museum Medals are awarded occasionally to recognise individuals who have given exceptional service to the institution. No medals were awarded in 2009/2010. The 22 recipients of Museum Medals to date are listed below.

**Trevor Bayliss** (deceased)

Associate Emeritus of the Auckland War Memorial Museum

**Dr Janet Davidson**

Fellow of the Auckland War Memorial Museum

**Enid Evans**

Associate Emeritus of the Auckland War Memorial Museum

**Dr Lindo Ferguson**

Companion of the Auckland War Memorial Museum

**Sir Hugh Kawharu** (deceased)

Fellow and Companion of the Auckland War Memorial Museum

**Dr Michael King** (deceased)

Fellow of the Auckland War Memorial Museum

**William Laxon** (deceased)

Companion of the Auckland War Memorial Museum

**Prof. John Morton**

Fellow of the Auckland War Memorial Museum

**Mick Pendergrast**

Associate Emeritus of the Auckland War Memorial Museum

**Lyndy Sainsbury**

Companion of the Auckland War Memorial Museum

**Jeremy Salmond**

Fellow of the Auckland War Memorial Museum

**Dr Lucy Cranwell Smith** (deceased)

Fellow of the Auckland War Memorial Museum

**John M Stacpoole**

Fellow of the Auckland War Memorial Museum

**Katrina Stamp**

Associate Emeritus of the Auckland War Memorial Museum

**Henare Te Ua** (deceased)

Companion of the Auckland War Memorial Museum

**Evan Graham Turbott**

Associate Emeritus of the Auckland War Memorial Museum

**Dr Ranginui Walker**

Fellow of the Auckland War Memorial Museum

**Sheila Weight**

Companion of the Auckland War Memorial Museum

**Rev. Dr Takutai Wikiriwhi**

Companion of the Auckland War Memorial Museum

**Dr T L Rodney Wilson**

Companion of the Auckland War Memorial Museum

**Lorraine Wilson**

Companion of the Auckland War Memorial Museum

**Keith Wise**

Associate Emeritus of the Auckland War Memorial Museum

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## APPENDIX 3 AUCKLAND MUSEUM INSTITUTE COUNCIL

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The Auckland Museum Institute supports the Museum and Museum Trust Board by providing advocacy, promoting the use and understanding of the Museum's collections and activities and supporting the function of the War Memorial aspect of the Museum. The Council makes four appointments to the Trust Board but appointees are required by legislation to act only in the interests of the Museum.

### AUCKLAND MUSEUM INSTITUTE COUNCIL

**President:** Rae Nield

**Councillors:**

Roger McElroy (Vice President)

Dr Anthony Bellve

Marguerite Durling

Dr Jennifer Hand

Jim Frater

Eric Keys

Dr Roger Lins

Anna Miles

Allan Mutch

Ross Sharp

Janet Xuccoa

**Manager:** Alison Barnett

**From the President:**

During the 2009-2010 year the Auckland Museum Institute Council worked hard to promote the interests of the Institute and the Museum, in a somewhat difficult environment. Rebuilding a sense of belonging and participation in this Museum – which is such a significant asset to Auckland City – remains a core focus of the Institute. A busy programme of more than 30 events and field trips produced many highlights. Eight Cafe Scientifique nights proved increasingly popular as the year progressed.

Our lecture series comprised stunning talks on subjects as diverse as astrophysics, whale migration, molecular bioscience and coastal wetlands, and we were delighted the series gave us the opportunity to partner with the Auckland Botanical Society, the Royal Society of New Zealand and the South Pacific Whale Research Consortium. Institute-only events attracted 1600 participants, and included wonderful field trip experiences around Auckland and further afield.

It has been a pleasure to offer support to the Trust Board and Museum staff during the year. The Institute appreciates the opportunities to contribute to the ongoing development of the Museum through its involvement with the Trust Board appointments and the annual planning process.

**Rae Nield**

President

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## APPENDIX 4 MUSEUM CIRCLE FOUNDATION

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The Museum Circle is an independent charitable trust founded in 2001 with the specific aim of supporting the Auckland Museum. In the past 10 years the Museum Circle has successfully carried out two major capital raising campaigns for the Museum – Names in Stone and With a View to the Future – raising more than \$4 million.

**Chairman:** Chris Devereaux

**Trustees:**

David Nicoll

Lyndy Sainsbury

James Wallace

Peter Webb

Andrew Smith

**Committee:**

Anna Bidwill

Andrew Melville

Alister M Martin

Tim Hannah

**Treasurer:** Andrew Smith

**Executive Officers:**

Deirdre McOnie (Administration)

Christine Granger (Event Manager)

**From the Chairman:**

The past year has been one of consolidation and review. Members of the Circle executive were invited by the Trust Board to take part in the Strategic Workshop, and to have representation at meetings of the Planning Committee and the newly formed Development Committee. This involvement, together with a closer working relationship with the Institute, will enable the Museum Circle Foundation and Trust to develop better ways to realise its aim of assisting the Museum to meet its objectives.

The Hillary Lecture for 2009 was delivered by Sir Don McKinnon. We would like to think that this positive introduction to the Museum persuaded him to accept the interim Directorship when it was offered to him. 30 October saw the enormously successful Museum initiative: Artefact/Artefiction. To ensure that the function was financially viable from initial planning stages, the Circle agreed to provide \$30,000 in sponsorship. That sum was in addition to the ongoing flow of funds pledged under the View to the Future programme amounting to \$60,000 for the year. In June 2010 Members attending the Circle function Upstairs/Downstairs had a rare treat as Director of Collections and Research Laura Vodanovich gave a wonderful presentation on collection strategy followed by a tour of the basement stores.

The retirement of members who joined as part of a specific funding programme resulted in an initial decline in numbers, however new memberships have reversed that trend.

**Chris Devereaux**

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## APPENDIX 5 STAFF AND ASSOCIATES RESEARCH ACTIVITY

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### PUBLICATIONS

(Museum author in **bold**)

Bellingham, P J, Towns, D R, **Cameron, E K**, Davis, J J and Wardle D A 2010. New Zealand island restoration: seabirds, predators, and the importance of history. *New Zealand Journal of Ecology* 34: 115-136.

Bellingham, P J, Wiser, S K, Wright, A E, **Cameron, E K** and Forester, L J 2010. Disperser communities and legacies of goat grazing determine forest succession on the remote Three Kings Islands, New Zealand. *Biological Conservation* 143: 926-938.

**Blom, W**, Webber, R and Schultz, T 2009. Invertebrate bycatch from bottom trawls in the New Zealand EEZ. *Tuhinga* 20: 33-40.

**Cameron, E K** (ed.) 2009. Great Barrier Island field trip, 5-9 February 2009. *Auckland Botanical Society Journal* 63: 34-45.

**Cameron, E K** 2009. Te Matuku Bay catchment, Waiheke Island (ABS camp, January 1994). *Auckland Botanical Society Journal* 63: 54-69.

**Cameron, E K** 2009. Updated vascular flora of Pakihi Island, with notes on fauna, geology and some history, Hauraki Gulf, Auckland. *Auckland Botanical Society Journal* 64: 154-169.

**Cameron, E K** 2010. Auckland Museum Herbarium (AK) report: 1 Jul 2008 to 30 Jun 2009. *NZ Botanical Society Newsletter* 100: 14-16.

**Cameron, E K**, Taylor, G A and Courtney, S P 2009. Vascular flora and vertebrate fauna of Saddle Island, Grey Group Islands, western Great Barrier Island. *Auckland Botanical Society Journal* 63: 98-102.

**Clarke, C** 2010. Book review: Nga Kakahu – Jo Torr, Context. *The Costume and Textile Association of New Zealand* 20: 25-27.

Freeman, R, Dennis, T, **Landers, T**, Thompson, D, Bell, E, et al. 2010. Black petrels (*Procellaria parkinsoni*) patrol the ocean shelf-break: GPS tracking of a vulnerable procellariiform seabird. PLoS ONE 5(2): e9236. doi:10.1371/journal.pone.0009236.

**Gardner, R O** 2010. Piper in the Solomon Islands: the climbing species. *Blumea* 55: 4-13.

**Gardner, R O** 2009: Kepa Bush Reserve, Orakei. *Auckland Botanical Society Journal* 63: 141-142.

**Gardner, R O** 2009: Identifying *Schoenus brevifolius*, *S. tendo* and *Lepidosperma filiforme*. *Auckland Botanical Society Journal* 63: 150-151.

**Gardner, R O** 2009: Four neglected Waitemata and Manukau Harbour frontages. *Auckland Botanical Society Journal* 63: 151-153.

**Gill, B J** 2010. Regional comparisons of the thickness of moa eggshell fragments (Aves: Dinornithiformes). *Records of the Australian Museum* 62: 115-122.

**Gill, B J** 2010. The Cheeseman-Giglioli correspondence, and museum exchanges between Auckland and Florence, 1877-1904. *Archives of Natural History* 37: 131-149.

**Gill, B J** 2010. New Zealand museum collections as a resource for herpetology [abstract]. *New Zealand Journal of Zoology* 37: 75-76.

**Gill, B J**, Bell, B D, Chambers, G K, Medway, D G, Scofield, R P, Tennyson, A J D and Worthy, T H 2010. Comments on the proposed conservation of *Anthochaera* Vigors & Horsfield, 1827 and *Philesturnus* Geoffrey Saint-Hilaire, 1832 (Aves) by suppression of the generic name *Creadion* Vieillot, 1816. *Bulletin of Zoological Nomenclature* 67: 94.

**Gill, B J**, Bell, B D, Chambers, G K, Medway, D G, Palma, R L, Scofield, R P, Tennyson, A J D, Worthy, T H 2010. *Checklist of the Birds of New Zealand, Norfolk and Macquarie Islands, and the Ross Dependency, Antarctica*. 4th ed. Wellington, Te Papa Press. 501 pp.

Hayward, B W, Hayward, G C and **Morley, M S** 2009. Geoduck riddle at Ohope. *Poirieria* 34:16-22.

Hayward, B W and **Morley, M S** 2009. Introduction to New Zealand of two sea squirts (Tunicata, Ascidiacea) and their subsequent dispersal. *Records of the Auckland Museum* 46: 5-14.

Hayward, B W, **Morley, M S**, Sabaa, A T, Grenfell, H R, Daymond-King, R, Molloy, C, Shane, P A, and Augustinus, P A 2009. Fossil record of the post-glacial marine breaching of Auckland's volcanic maar craters. *Auckland Museum Records* 45: 73-99.

Hayward, B W, Wilson, K, **Morley, M S**, Cochran, U, Grenfell, H R, Sabaa, A T and Daymond-King, R 2010. Microfossil record of the Holocene evolution of coastal wetlands in a tectonically active region of New Zealand. *The Holocene* 20: 405-421.

Igic, B, Greenwood, D R, Palmer, D J, Cassey, P, **Gill, B J**, Grim, T, Brennan, P L R, Bassett, S M, Battley, P F and Hauber, M E 2010. Detecting pigments from colourful eggshells of extinct birds. *Chemoecology* 20: 43-48.

Igic, B, Leuschner, N, Parker, K A, Ismar, S M H, **Gill, B J**, Lovegrove, T G, Millar, C D and Hauber, M E 2010. Size dimorphism and avian-perceived sexual dichromatism in a New Zealand endemic bird, the whitehead *Mohoua albicilla*. *Journal of Morphology* 271: 697-704.

**Morley, M S** 2009. *Evalea sabulosa* (Suter, 1908) (Gastropoda; Pyramidellidae). *Poirieria* 34: 13-15.

**Morley, M S** 2009. Cleaning and restoring shells. *Poirieria* 34: 31-36.

**Morley, M S**, Gardner, N and Hayward, B W 2009. Obituary – Norman Gardner. *Poirieria* 34: 2-4.

**Morley, M S** and Hayward, B W 2009. Marine mollusca of Great Barrier Island, New Zealand. *Records of the Auckland Museum* 46: 15-51.

**Neich, R** 2009. James Edge-Partington (1854-1930): an ethnologist of independent means. *Records of the Auckland Museum* 46: 57-110.

Rayner, M J, Dunphy, B J and **Landers, T J** 2009. Grey-faced petrel (*Pterodroma macroptera macroptera*) breeding on Little Barrier Island, New Zealand. *Notornis* 56: 222-223.

## **EXTERNALLY-FUNDED PROJECTS**

The following projects received external funding and commenced during the 2009-10 year.

Auckland Regional Council to update plant records in the Museum's Vernon database.

NZ Lottery Environment & Heritage grant to accession University of Auckland bryophyte collection.

Pasold Research Fund, support for attendance of Chanel Clarke at Costume Colloquium II, Florence, Italy.

## **CONFERENCE PRESENTATIONS**

Cameron, E K, Bellingham, P J, Wiser, S K, Wright, A E, Forester, L J *Disperser communities and legacies of goat grazing determine forest succession on the remote Three Kings Islands, New Zealand*. Invited presentation, Island Invasives Conference: Eradication and Management (University of Auckland, 8-12 Feb).

Early, J W *Thomas Broun: soldier, farmer, teacher, coleopterist and correspondent*. Invited speaker, Entomological Heritage symposium, Entomological Society of NZ 59th Annual Conference (Wellington, April 2010).

Early, J W *Mind over matter – the Strange Phenomenon of Delusory Parasitosis*. Invited presentation, Annual Conference of the Pest Management Association of New Zealand, (Waipuna Convention Centre, 27-28 August 2009).

Early, J W, Masner L, and Ward, D F *Parasitic wasps of the Proctotrupoidea, Platygastroidea and Ceraphronoidea in New Zealand: review and analysis*. International Hymenopterists' Society Conference (Köszeg, Hungary, 20-26 June 2010).

Gill, B J *Re-examination of the epic transoceanic migration of the long-tailed cuckoo*, 5th Australasian Ornithological Congress (Armidale, NSW, 29 Nov.-4 Dec. 2009) and Ornithological Society of New Zealand Annual Meeting (Nelson, 5 June 2010).

Gill, B J *Bird Feather-sheet collections*, 2nd Workshop of Australasian Bird Curators (Armidale, NSW, 5 Dec. 2009).

Trnski, T Closing remarks, Hauraki Gulf Marine Park 10th Anniversary Symposium (Auditorium, Auckland Museum, March 2010).

Young, R *Embroidered textiles in military collections* Auckland Embroiderers Guild Annual Conference (August 2009).

## LECTURES AND PRESENTATIONS

Cameron, E K *Tiritiri wild plants* Auckland Botanical Society meeting (Unitec, Auckland, July 2010).

Cameron, E K *Wonderland – Orchids* Members of the Auckland Museum Institute (Auckland Museum, July 2009).

Cameron, E K *Wonderland – Orchids* exhibition background presentation for school teachers (Auckland Museum, July 2009).

Cameron, E K *Wonderland – Orchids* U3A Remuera (Auckland Museum, July 2009).

Cameron, E K *Wonderland – Orchids* Auckland Botanic Gardens (Auckland Museum, July 2009).

Cameron, E K Fabulous Friday Plant Panel (Auckland Museum, August 2009).

Cameron, E K *Thomas Cheeseman* U3A North Shore (Auckland Museum, September 2009).

Cameron, E K Field trip to Pakatoa Island, Auckland Botanical Society (October 2009).

Cameron, E K Botanical tour of Cornwall Park, Auckland Heritage Festival (October 2009).

Cameron, E K Botanical tour of Auckland Domain, Auckland Heritage Festival (October 2009).

Cameron, E K Field trip to Awhitu for orchids, Auckland Museum Institute (November 2009).

Cameron, E K Field trip to Whatipu, Friends of Whatipu (March 2010).

Cameron, E K Expert guide for a Fullers 'Discovery Cruise' in Hauraki Gulf (April 2010).

Cameron, E Weeds, Stage 3 Biosecurity course (University of Auckland, April 2010).

Clarke, C *Repatriation in a New Zealand context* Maori and Pacific Art and Visual Culture post graduate paper (University of Auckland, May 2010).

Early, J W *Insects and spiders and where to find them* Herne Bay Sea Scouts (Herne Bay, Sep 2009).

Early, J W *Bed bugs* interviewed for TV3's 'Target' programme (TVNZ, February 2010).

Early, J W *NZ insects, parasitic wasps and winged weta* interview with Allison Balance for 'Our Changing World' programme (Radio National, October 2009).

Trnski, T *The utility of fish larvae in ecological studies* NIWA Seminar Series (NIWA Auckland, September 2009).

Trnski, T *The secret life history of fish larvae*. Forest and Bird South Auckland Branch (March 2010).

Trnski, T Field trip to The Gap, Piha Beach for Marine Week, Auckland Museum Members (March 2010).

Trnski, T Radio interview on 95bFM to publicise BioBlitz (95bFM studio, April 2010).

Trnski, T, Early, J W and Blom, W M. *Natural history projects and the imaging project*, Auckland Museum Institute (Auckland Museum, November 2009).

Vodanovich, L J *Collection Development Strategy* Museum Circle (Auckland Museum June 2010).

## **EXTERNAL BOARDS AND COMMITTEES**

### **Cameron, E K**

Chair of the New Zealand Herbarium Network

Chair of the New Zealand Virtual Herbarium

### **Clarke, C**

Member of National Services Advisory Board

Member of Advisory Board, National Services Te Paerangi Grants

### **Gill, B J**

Chairman of the Checklist Committee, Ornithological Society of New Zealand

### **Trnski, T**

Member of the Taxonomic Advisory Group, Outcome Based Initiative, Foundation for Research, Science and Technology.

## **AWARDS**

Brian Gill was awarded the Robert Falla Memorial Award, Ornithological Society of New Zealand.

## RESEARCH SUPERVISION

(AWMM supervisor in **bold**)

Edwards, L: PhD, School of Environmental & Life Sciences, University of Newcastle.

Supervisors: Powter, D, Gladstone, W, **Trnski, T.**

Project: Factors influencing the distribution and abundance of fishes in Intermittently Closed and Open Lakes and Lagoons (ICOLLs)

Knudsen, S: PhD, School of Biological Sciences, University of Auckland.

Supervisors: Clements, K, **Trnski, T.**

Project: Phylogeny and phylogeography of the sea chub Genus *Kyphosus*.

Rodgers, Kirsten: PhD, Institute of Information & Mathematical Sciences, Massey University, Albany.

Supervisors: Anderson, M J, Shears, N, **Trnski, T.**

Project: Resilience and thresholds in the structure of marine ecosystems.

## RESEARCH ASSOCIATES

With Botany Department: Dr John Braggins (a liverwort expert) and Dr Rhys Gardner (an expert on wild vascular plants).

With Marine Department: Mr Mike Eagle (an expert in invertebrate palaeontology) and Mrs Margaret Morley (a NZ mollusc expert).

With Entomology Department: Mr Keith Wise (a former curator, preparing a monograph on NZ lacewings and Dobson flies).

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## APPENDIX 6 AUCKLAND MUSEUM EXECUTIVE TEAM

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**Sir Don McKinnon**, Interim Director

**Russell Briggs**, Director Communications and Technology/Acting Director of Exhibitions and Programmes

**Antoine Coffin**, Maori Partnerships and Development Executive

**Les Fleming**, Director Corporate Services and Chief Financial Officer

**Kae Kinnell**, Director Commercial

**Karen Mason**, Director Visitor Services, Learning and Online Delivery

**Laura Vodanovich**, Director Collections and Research



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## Funders, Partners, Sponsors and Donors

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### Auckland Museum would like to thank the following for generously supporting the Museum's ongoing operations in 2009/2010

#### FUNDERS:

Electoral College *representing:*

Auckland City Council

Franklin District Council

Manukau City Council

North Shore City Council

Papakura District Council

Rodney District Council

Waitakere City Council



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#### PRINCIPAL PARTNERS:

Auckland Museum Institute

Museum Circle Foundation



**PRINCIPAL SPONSORS:**

Stevenson Group

EQC, Earthquake Commission

The Radio Network



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**EXHIBITION SPONSORS:**

Estee Lauder

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**ARTEFACT/ARTEFICTION SPONSORS:**

Major event sponsor: Museum Circle Foundation

Major prize sponsor: Estee Lauder

Secondary supporters: Austin's Food Design Events, Cavalier Travel Services, Multi-Media Systems,

Pernod Ricard NZ, The Centre Piece

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**RESEARCH FUNDERS:**

Auckland Regional Council, NZ Lottery Grants Board, Environment and Heritage

Photography: Krzysztof Pfeiffer, Janneen Love

Cover Design: ALT

Graphics & Layout: Gibson Rusden Design Group



